

Annex

# Official Journal

## of the

## European Communities

No 2-319

English edition

### Debates of the European Parliament

---

1984-1985 Session

Report of Proceedings

from 12 to 16 November 1984

Europe House, Strasbourg

#### Contents

<b>Sitting of Monday, 12 November 1984</b> .....	<b>1</b>
Resumption of session, p. 1 — Approval of Minutes, p. 1 — Agenda, p. 2 — Budget 1985, p. 11 — Agenda, p. 34	
<b>Sitting of Tuesday, 13 November 1984</b> .....	<b>35</b>
Decision on urgent procedure, p. 35 — Budget 1985 (continuation), p. 37 — Agenda, p. 66 — Budget 1985 (continuation), p. 67	
<b>Sitting of Wednesday, 14 November 1984</b> .....	<b>104</b>
1982 Budget (discharge), p. 104 — Welcome, p. 118 — 1982 Budget (discharge) (continuation), p. 118 — 1985 Budget (votes), p. 127 — Agenda, p. 137	
<b>Sitting of Thursday, 15 November 1984</b> .....	<b>138</b>
Welcome, p. 139 — Ethiopia — Sahel — Lomé III (Commission statement), p. 140 — Budget discipline, p. 151 — Votes, p. 163 — Environment, p. 165 — Topical and urgent debate, p. 182 — Environment (continuation), p. 194	
<b>Sitting of Friday, 16 November 1984</b> .....	<b>202</b>
Minutes, p. 203 — Votes, p. 204 — European emergency health card, p. 207 — Action to combat poverty (Commission statement), p. 211 — Economic situation, p. 211 — Agricultural and fisheries structures in Portugal, p. 224 — Exchange of young workers within the Community, p. 229 — Membership of the Commission of the European Communities, p. 234 — Adjournment of the session, p. 234	

## NOTE TO READER

Appearing at the same time as the English edition are editions in the six other official languages of the Communities: Danish, German, Greek, French, Italian and Dutch. The English edition contains the original texts of the interventions in English and an English translation of those made in other languages. In these cases there are, after the name of the speaker, the following letters, in brackets, to indicate the language spoken: *(DA)* for Danish, *(DE)* for German, *(GR)* for Greek, *(FR)* for French, *(IT)* for Italian and *(NL)* for Dutch.

The original texts of these interventions appear in the edition published in the language spoken.



## SITTING OF MONDAY, 12 NOVEMBER 1984

### Contents

1. <i>Resumption of the session:</i> <i>Mr Ford</i> . . . . .	1	<i>Mr Ford; Mr Paisley; Mr Sherlock; Mrs Weber; Mr Sherlock; Mr Provan; Mrs Weber; Mr Provan</i> . . . . .	2
2. <i>Approval of the minutes:</i> <i>Mr P. Beazley; Mr Møller; Mr Paisley; Mr Stewart; Mr Megahy;</i> . . . . .	1	4. <i>Budget 1985 — Reports (Doc. 2-965/84) by Mr Fich; (Docs. 2-954/84 and 2-955/84) by Mr Curry:</i> <i>Mr Fich; Mr Curry; Mr Tugendhat (Commission); Mr Arndt; Mr Cornelissen; Lord Douro; Mrs Barbarella; Mrs Scrivener; Mr Pasty; Mr Bonde; Mr Dankert; Mr Bardong; Mrs Oppenheim; Mr Chambeiron; Mr De Vries; Mr Ryan; Mr Alavanos; Mr Van der Lek; Mr Rossi; Mr Guermeur</i> . . . . .	11
3. <i>Agenda:</i> <i>Mrs Castle; Mr Ford; Mr Arndt; Mr Newens; Mr Prag; Mr Pelikan; Mr Stewart; Mr Cot; Mr Klepsch; Mr Sherlock; Mr Pearce; Mr de la Malène; Mr Cassidy; Mr Antony; Mr Lomas; Mr Graefe zu Baringdorf; Sir Fred Catherwood; Mr Arndt; Mr Muntingh; Mr Megahy; Mr Cryer; Mr Welsh; Mr Tugendhat (Commission); Mr Provan; Mr Cryer;</i>		5. <i>Agenda</i> . . . . .	34

IN THE CHAIR: MR PFLIMLIN

*President*

*(The sitting was opened at 4 p.m.)*

#### 1. *Resumption of the session*

**President.** — I declare resumed the session of the European Parliament adjourned on 26 October 1984.

**Mr Ford (S).** — I wish to raise a point of order, Mr President. The draft agenda, as I see it, makes no provision for debates on topical and urgent matters, pursuant to Rule 48. However, Rule 55(3) indicates that a period for such debates should be set aside at each part-session. It is bad enough that we will not be debating the issue of Nicaragua and the threat that has been posed to the democratically elected government there, or that of Ethiopia, where our failure to debate

that this week will not be understood by the peoples of Europe, or even the Law of the Sea Conference on which a decision has to be made by 9 December. But when the Rules say that provision shall be made, it is intolerable that the draft agenda does not contain such a provision. May I ask the President if, on looking at the Rules again, he is prepared to make provision for such a topical and urgent debate and to amend the agenda accordingly or, pursuant to Rule 111, to refer the matter to the committee responsible?

**President.** — We have not yet come to the problem of the agenda for this part-session, Mr Ford.

#### 2. *Approval of the minutes*

**President.** — The minutes of the sitting of Friday, 26 October 1984 have been distributed.

Are there any comments?

**Mr P. Beazley (ED).** — Under Rule 42 I would like to ask a question of you and draw your attention to the Verbatim Report of Proceeding of 25 October, pages 229 and 230, concerning the oral question to the Council which stood in my name and that of Members of my group. There were no members of the Council present during the majority of that debate, and I asked the President at the time when and how we might expect to receive an answer. There was a short statement from the President of the Council at the start of the debate, but in no way did it answer our question to the Council. May I ask now how we may get an answer to our oral question on the relaunch of the European economy?

**President.** — Mr Beazley, I shall put the question to the Council and, in the meantime, your comment will be entered in the minutes of today's sitting.

**Mr Møller (ED).** — (DA) Mr President, I should like to point out that I was very much bothered by the arc lights, and I should like to know if we can do without them. They were switched off after Mr Beazley spoke so they are no longer a problem. There is no point in having them on for Mr Beazley and still less for me. But can we not have a permanent arrangement whereby we are spared these lights?

**President.** — We shall take account of what you have said, we do have enough light, do we not?

**Mr Paisley (NI).** — Mr President, I wonder if you could have the lights put on at the back of the chamber please. A little light on the subject would be helpful.

(Applause)

**President.** — It is very difficult to satisfy everyone in this House, but I cannot in fact see you, Mr Paisley.

(Laughter)

**Mr Stevenson (S).** — Mr President, like Mr Ford, I am very concerned that we are going to have a part-session without the opportunity to debate urgent topics, especially the situation in Ethiopia today. I would hope that Parliament could find time to deal with that during the part-session.

**President.** — I already informed you that the matter could be raised when we come to fix the agenda. We have not come to it yet.

**Mr Megahy (S).** — I wanted to raise a point of order on the today's order of business, but I realize you have

not reached it yet. I wish to do so when you come to it.

**President.** — I shall call you to speak when we discuss the agenda, Mr Megahy.

(Parliament approved the Minutes)<sup>1</sup>

### 3. Agenda

**President.** — At its meeting of 23 October 1984 the enlarged Bureau drew up the draft agenda which has been distributed.

At its meeting this morning the chairmen of the political groups authorized me to propose a certain number of amendments.

There are no amendments for Monday, Tuesday and Wednesday which have been set aside for the debates and the votes on the 1982 discharge and the first reading of the 1985 draft budget.

*Thursday:*

At 10 a.m. the Commission will make a statement on the food situation in Ethiopia and in the Sahel region and on the progress of the negotiations for the Lomé III Convention.

Pursuance to Rule 40 of the Rules of Procedure Members will have a total of 30 minutes to put short, precise questions to clarify certain points in the statement.

— The Committee on Budgets has asked that a report on budgetary discipline which it is required to adopt that afternoon be put on the agenda. This item will be placed on Thursday's agenda after the statement by the Commission on the food situation in Ethiopia provided, of course, that the Committee on Budgets' report is adopted.

— The Council and the Commission have asked that urgent procedure be applied, under Rule 57 of the Rules of Procedure, to two proposed directives on the lead content of petrol and measures to be taken against air pollution (Doc. 2-351/84). Parliament will be consulted on this request for urgency at the beginning of tomorrow morning's sitting.

If urgent procedure is adopted, this report will be included in the joint discussion on environmental problems scheduled as Items 256 and 258 on the draft agenda for Thursday.

<sup>1</sup> *Petitions — Transfer of appropriation — Written declarations (Rule 49 of the Rules of Procedure) — Documents received — Modification of referral: see Minutes.*

**President**

- At the request of the Committee on the Environment, Public Health and Consumer Protection, the report by Mrs Weber on an information system on the state of the environment (Item 257) will be taken without debate. This report will therefore be put to the vote at the beginning of Friday's sitting.
- At the request of the Committee on Agriculture, Fisheries and Food, the report by Mrs Pery on the fisheries sector in Portugal will be entered for joint debate under Item 261 with Mr Tzounis' report.
- The report by Mr Dalsass, on behalf of the Committee on Agriculture, Fisheries and Food, on wines and sparkling wines (Item 263) has not been adopted in committee and is therefore withdrawn from the agenda.

Mrs Castle and 21 other Members have requested that a topical and urgent debate be included on the agenda.

Would Mrs Castle please inform me when exactly she wishes this item to be entered on the agenda and how much time should be devoted to it.

**Mrs Castle (S).** — Mr President, first and foremost may I point out that Rule 55 does provide for the allocation of three hours at every part-session to urgent matters. This is a time when events of extreme urgency affecting the whole world — notably famine in Ethiopia and the threat to peace arising from American hostility towards Nicaragua — are taking place. This is the time of all times when this Parliament ought to exercise its right to have this item on the agenda. I notice that you have suggested that there should be a statement by Mr Pisani on Lomé and on Ethiopia on Thursday morning, but there is only to be half an hour of question time. Those of us who tabled this motion want provision made at that period for an urgent debate on Ethiopia. We also believe that that debate should cover Nicaragua. We understand from what you have said that it is suggested that the question of budgetary discipline should be treated as a matter of urgency if the Committee on Budgets makes up its mind about it. I am sure it won't. Budgetary discipline has been with us in the Never Never Land for as long as I have been a Member of this House. Certainly it is not a matter that ought to crowd out of this part-session the discussion of famine in Ethiopia and the threat of war arising from the situation in Nicaragua. So we call for provision to be made for urgent debate on Thursday morning.

*(Applause from the Socialist Group)*

**Mr Ford (S).** — Mr President, do you wish me to repeat the statement I made earlier drawing your attention to the fact that there is no provision for a

debate? Or can I just take that as read and that you will give us your ruling on the matter?

**President.** — You are therefore confirming your request.

**Mr Arndt (S).** — *(DE)* Mr President, I think it would be a good idea if, instead of deciding now whether to hold an urgent debate on Nicaragua on Thursday, we were given a further opportunity of discussing the question with other groups. We feel that there is a danger that some Member might vote against urgency today and then realize tomorrow or the day after that this item should be put on the agenda for urgent procedure.

I would therefore be grateful if you did not take a vote right now on whether Nicaragua should be placed on Thursday's agenda. In any event I would propose — and I also address this to both the Council and the Commission — that the Council and the Commission would consider making a statement on the situation in Nicaragua during this meeting in Strasbourg. I think it will be particularly useful for the Council and the Commission to make a statement on the matter on which Parliament could then base its discussion. However, the request I am now making is that we should wait a little longer before taking a vote on the proposal to enter Nicaragua on the agenda.

**Mr Newens (S).** — Mr President, can I just follow up the point which has been made and ask whether it is wise that we should have weeks during which we do not follow the rules as set out and have urgency debates laid down as normally is the case. It seems to me that we are always going to be up against the fact that there may be developments which occur on which this Parliament will be restricting itself from pronouncing at a time when its pronouncement could be of tremendous importance.

As far as the situation in Nicaragua is concerned, it is not enough for us to wait until more serious developments take place. Our intervention at this particular stage ought to be designed to pressurize people into not taking steps which lead to war in Nicaragua. There is a very very strong case here, surely, for our asking the Americans to desist from their present action against Nicaragua. And is this not a case which applies generally? Should we not, therefore, see to it that in the normal case, we always should have the opportunity for urgency debates in this House during each part-session?

**Mr Prag (ED).** — Mr President, I am glad to see that Mr Newens is convinced of the importance of this Parliament and I wish some of his other colleagues would rapidly move towards that conviction.

**Prag**

But for once we have shown flexibility and we have many crucial matters to deal with in this sitting which, it seems to me are what we ought to be dealing with. It would be far better for this Parliament to cope with and to give proper time to the matters for which it is directly competent. Nobody could say that the budget was anything other than one of the most important matters we have to deal with.

There will be a statement — as you have announced — on Thursday morning on the food situation in Ethiopia, followed by a discussion. That is something which is really urgent. Surely, instead of having three hours of diffuse subjects, with a few minutes for each one, which is what happens during urgency debates, it would be much better if our friends opposite agreed to have a longer discussion on Ethiopia rather than to have the great race to deal with a dozen subjects and thirty resolutions, as we do during urgent and topical debates. So I hope you will not accede, Mr President, to the demand from the benches opposite.

**Mr Pelikan (S).** — (FR) Mr President, I should like to inform you that together with Mr Tognoli and a number of other Italian Members we have submitted to Parliament an urgent motion for a resolution on the assassination of Father Popieluszko in Poland. While it is right and proper to discuss Nicaragua and Ethiopia, it is just as necessary and urgent to discuss what is happening in Europe. Unless I am very much mistaken Poland is part of Europe.

*(Applause from the centre and the right)*

**Mr Stewart (S).** — Mr President, previously I raised a point with regard to the urgency on Ethiopia. To hear some of the Members saying how important other issues are, when millions of people are literally starving to death in that country, I begin to wonder what our priorities really are. As far as I and the other members of my party are concerned, that is what we should be discussing in an urgency debate. The questions to Mr Pisani are not enough. This House has got to register its deep concern with regard to Ethiopia and consider what it can really do, and possibly support some of the initiatives taken by Willy Brandt to try to get a commission sent there. These are the things we have got to discuss. We have got to discuss how we can save lives in that country. I think it is one of the most important issues facing us today.

**President.** — I would remind you, Mr Stewart, that when I presented the draft agenda just now, I pointed out to the House that at the beginning of Thursday morning we would hear a communication from Commissioner Pisani on Ethiopia. This communication will be followed by a half-hour debate during which every Member of the House will be able to put questions and make comments.

**Mr Cot (S), Chairman of the Committee on Budgets.** — (FR) Mr President, I appreciate the urgent character of a debate on Nicaragua and, personally, I fully subscribe to it. I consider that those of our colleagues who spoke on this point were right to do so and that it would be unthinkable for our Parliament not to express its point of view on so urgent a situation.

But as chairman of the Committee on Budgets I sincerely hope that this will not prevent us from complying with the schedule for a number of other debates, notably on budgetary discipline. On this point, Mr President — you know this better than I since you were present at the dialogue last Friday — the Council clearly conveyed to us its determination to move forward and, if need be, to consult with us. It is vital that we adopt a position on budgetary discipline if we are to be able to talk to the Council.

I ask therefore that we do not see the two debates in terms of incompatibility and that the Assembly should state its position on budgetary discipline if we are to have any say over a situation that could affect the Community's future.

**President.** — I can only confirm the information which the chairman of the Committee on Budgets has just given. We took part last Friday in a meeting of the Council of Ministers on budgetary discipline in the presence of the President of the Commission.

It is essential that the draft budget which, I believe, will be submitted this afternoon to the Committee on Budgets for approval should be included on the agenda for this part-session. However, I would again stress that there is no contradiction between the concern we should have to discuss budgetary discipline and the possible inclusion of a number of urgent topics.

**Mr Klepsch (PPE).** — (DE) Mr President, I should like to make three comments. First, we agreed together that, contrary to previous practice, three hours would be set aside at the second October part-session for urgent debate and that no such debate would be held at the November part-session. This was something to which the whole House agreed. I have received requests from my group, which I put forward at the meeting of group chairmen this morning, to place urgent topics on the agenda, although I opposed them in view of the decision we all took together. If, despite this, requests are made for urgent debates this week I must insist that the topics put forward by my group for urgent debate should also be taken.

Secondly, I believe that although we are entitled to discuss anything we wish in this House, our first duty is to speak on matters for which we are genuinely competent and for which the voters sent us here.

*(Applause)*

**Klepsch**

I therefore support most strongly what Mr Cot, the chairman of the Committee on Budgets, said. We must first do the work which the voters elected us to do, after which we can deal with other matters. Yes, there is a connection! I should like to say to those who are interrupting that for this reason I regard Thursday morning as completely taken up. I would add something else.

All those present here know how matters stand regarding our work this week. The things we are required to do will keep us fully occupied. Consequently I cannot work up any enthusiasm for going back now on the question of urgencies.

I should also like to stress that if the majority decides, despite our agreement, to introduce urgent topics, I shall insist that the urgent topics which the majority of the House will decide later, should also be taken. That is the point I wished to make.

**President.** — Ladies and gentlemen, we have just heard a number of comments on the draft agenda. When amendments are proposed to the draft agenda there is one speaker for and one speaker against.

We have a proposal from Mrs Castle who, without giving any precise reason, has asked that some time be set aside for urgent topics. I gave the floor to several Members who stated that they wanted an urgency debate on one or another problem. Because I realized that a large number of Members of this House were concerned about certain urgent problems, I did not want to deprive them of the opportunity to speak. Nonetheless, we cannot continue indefinitely a debate on the question whether there should or should not be an urgent debate. Mr Klepsch pointed out that it had been agreed at the previous part-session that there would be no urgent debate at this session which is given over primarily to budgetary problems. I would also point out that it was also the custom hitherto that, in principle, there should be no urgent debate during the budgetary part-sessions. The House, of course, is free to fix its own agenda as it wishes. I shall, therefore, shortly put to the vote the proposal to hold urgent debates and, if there is a majority in favour, the enlarged Bureau will have to consider tomorrow morning at what point these urgent debates can be inserted in our agenda which is already heavily loaded.

I would also point out that some 900 amendments have already been tabled on the draft budget for 1985 alone. Consequently, it has been very difficult this time to fix the draft agenda. Nonetheless, I shall call two speakers who have already asked to speak, but I propose to close the list of speakers. I ask each speaker to be extremely brief. We are still dealing with the question whether or not there will be urgent debates. That is all. I shall call the vote immediately afterwards. I have asked the House to state yes or no. If a majority vote yes we shall have serious problems, but the enlarged Bureau can consider it tomorrow.

**Mr Sherlock (ED).** — Mr President, mine was not on this topic. I would merely offer as a test of sincerity Friday afternoon.

*(Laughter)*

**Mr Pearce (ED).** — Mr President, I respond directly to the instructions which you have given us. Nicaragua and Poland are important, but they are not within the competence of the Community. The issue of lead in petrol, on which urgent procedure is requested by the Council, is urgent only in the context of German internal politics and has no other importance where timing is concerned.

But Ethiopia is a budgetary matter — the Community's budget, our money. It is an urgent matter and it is within the competence of the Community. On top of that, an awful lot of people are *dying* Right now because of this. I believe that the provision that you have indicated so far, Mr President, is insufficient. Without yet having heard what Mr Pisani will say. I do not think that the procedure of asking questions is sufficient. I think we should be able to provide a time when this House will express its view on this traumatic experience which is affecting so many people over there and the hearts of our people in Europe.

**Mr de la Malène (RDE).** — *(FR)* Mr President, we could go on toing and froing on this for who knows how long. We have to come to a quick decision. You put the question very clearly. Are we to give priority to a number of urgent debates on Nicaragua, Poland etc.? Each of us will set his own priorities.

Or are we to give priority to Ethiopia, Lomé III, to the issue of budgetary discipline that is central to the powers of our Parliament and lead-free petrol? All groups have said they will be voting 'for' this morning. We cannot vote for lead-free petrol and then vote for something else. So we have to choose, Mr President, and I ask that the Assembly choose between the urgent debates for Thursday morning. This means that the issues of budgetary discipline, Lomé III and lead-free petrol will be deferred to a later date and that they will not be voted on or, if they are, only badly. Consequently, we have to do some sorting.

I see that my colleague Mr Arndt does not agree, of course. He would like to bring in Nicaragua through the back door, but we shall not let Nicaragua in by the back door because in doing so we would also be letting in Poland and God knows what. Let us therefore be clear about this: either we choose what the President has proposed or we restore the urgent debates, and then everyone can bring forward his own preference.

I ask you, Mr President, to have this point voted on clearly.

*(Applause from the right)*

**President.** — That is in fact the point at issue.

**Mr Cassidy (ED).** — Mr President, mine is a point of order relating to Rule 56(1) of the Rules of Procedure. I ask whether you are, in fact, correct in calling a vote on amendments to the agenda and indeed whether Mrs Castle and her colleagues are correct in asking for an amendment to the agenda when I see that in the English version of the Rules an amendment to the agenda must be proposed in writing to you by at least 21 Members one hour before the opening of this part-session.

Therefore, I would respectfully suggest first of all that Mrs Castle is out of order in raising matters in this way and secondly, with the greatest deference, that you need not call a vote.

**President.** — Mr Cassidy, the Rules of Procedure have been observed, as Mrs Castle has submitted a written request signed by 21 Members.

The debate is therefore based on this proposal, taking into account the fact that many speakers have raised particular questions to which urgent procedure could possibly be applied.

**Mr Antony (DR).** — (FR) Mr President, I well understand that some of my colleagues do not wish to take the urgent debates during this part-session, but the fact is that, over and against the budgetary problems — which are serious — 900 000 Ethiopians are threatened with starvation between now and Christmas. The Group of the European Right, in whose name I am now speaking, therefore hopes that the Ethiopian question will enable this Assembly to gain in stature by launching the large-scale campaign of solidarity that the peoples of Europe should be able to conduct if genocide is to be avoided. Likewise, while some may have their doubts about tackling the question of Nicaragua, we are perfectly willing, for our part, to discuss it for in that country too men are dying, there too there are misquito Indians whose treatment at the present time is unacceptable.

Lastly, there is Father Popieluszko's Poland. It would be quite indecent of our Assembly not to express its indignation at what has happened in Warsaw.

That is why we ask for an urgent debate on Ethiopia, on Nicaragua and on Poland.

**Mr Lomas (S).** — Mr President, surely this is a matter of priorities. Yes, we have got to discuss the budget this week, although I share Mrs Castle's view that nothing is going to change and we shall still be spending billions on rich farmers and nothing on employment. Nothing is going to change! We all know that.

But on the basis this agenda I have in front of me we are going to talk also about exchanges of young workers, about the description of sparkling wines, when people are dying in Ethiopia because the EEC is still refusing to allow grain to go there in sufficient amounts to meet that need! It is all very well to say Mr Pisani will come here and answer a few questions for half an hour. We have had all this before. We know how skilful he is at dealing with questions, and I am sure he will do it very well. But what we want to ask is, why aren't these millions of tonnes of grain being released from the food stores? We want a resolution to that effect, and we want a resolution to try to stop the Americans from their threatened actions in Nicaragua, which have also been causing deaths! And we are going to discuss sparkling wines and exchanges of young workers and even the budget, if it comes to that, against these priorities! Let us, for God's sake, get some sense into this place and discuss the issues that matter!

*(Applause from the left)*

**Mr Graefe zu Baringdorf (ARC).** — (DE) Mr President, the budget is an important topic for debate and one which we have a duty to deal with. But we all know that there have been and still are serious situations and that when people are asked, 'Where were you in this situation?' they have replied: 'I did *my duty*'!

In my view it behoves Parliament in view of the dangerous situation in Ethiopia and Nicaragua to consider carefully where its duty lies. I feel that it is its duty to take a stand and to set an example so as to avert this evil, and I think it would be right and proper for us to find time for this urgency debate. If Mr Klepsch wishes to introduce his requests for urgent debate he can do so. We shall then have to decide what is more urgent than the two items I have mentioned.

In any event, I ask that they be put on the agenda. That is our duty.

**Sir Fred Catherwood (ED).** — Mr President, the Ethiopians need our money, and we in this group are anxious to see that the budget, including the aid budget, goes through. That is the most practical thing that we can do to help Ethiopia. We in this group obviously would like to discuss this, but we would like to discuss the budget first. So we would like to modify the proposal that has been made and not put this down immediately after the Commissioner has spoken. We are perfectly prepared for the group chairmen to consider a modification of the agenda, but not a modification that insists that the item comes before we have totally completed the budget, which includes the aid budget for Ethiopia, which we think is far more important than hot air.

*(Applause from the European Democratic Group)*

**President.** — We have heard a great many speakers. Some have spoken in favour of making room on the agenda for urgent debates and some have spoken against it. I therefore ask the House to vote . . .

**Sir Fred Catherwood (ED).** — I did suggest, Mr President, a modification. That is to say that we do not put it down precisely for a particular time, but that we simply say that we ask the enlarged Bureau to find a time *after* the budget. That is what we would like to see. That is a amendment to what Mrs Castle is saying.

**President.** — Sir Fred that is how I understand it. The House can, for the moment, only vote on the principle. If a majority of the House votes against it, the matter is settled. If the majority is in favour, a particular time will have to be set aside for urgent debate. The question will be put to the enlarged Bureau tomorrow.

**Mr Arndt (S).** — (DE) My group agrees that Ethiopia, Lomé III and the question of budgetary discipline should be taken on Thursday at 10 a.m. We are simply asking that immediately afterwards and until 1 p.m. time should be set aside for the other urgent topics. We are in favour of discussing Nicaragua, but we would also be prepared to include Poland. We are only against a three-hour urgency debate which would eliminate discussion of Ethiopia, Lomé III and budgetary discipline.

**President.** — There is no question whatsoever, Mr Arndt, of dropping the matter of Ethiopia nor that of budgetary discipline or Lomé. It is a matter of deciding whether, in addition to the items on the draft agenda, a period should be set aside for urgent debate whose duration and time will be decided tomorrow by the enlarged Bureau, of which you are a Member.

*(Parliament approved Mrs Castle's request)*

There will therefore be urgent debates, the conditions of which will be decided tomorrow by the enlarged Bureau.

*(Applause)*

**Mr Muntingh (S).** — (NL) Mr President, we have down on Thursday's agenda the report on air pollution. Now I understand that the deadline for tabling amendments is 8 p.m. this evening. It is now almost 5 p.m. and the relevant reports have still not reached my office. I should therefore like to know if the deadline for tabling amendments can be extended since it is obviously impossible to table amendments if we do not have the documents in our possession at this moment.

**President.** — I shall come in a moment, Mr Muntingh, to the question of the deadline for tabling amendments.

**Mr Megahy (S).** — Mr President, at the last part-session, in response to the debate on my poverty report, Commissioner Richard indicated that the proposals put forward tallied closely with the Commission's own philosophy. He went on to refer to two specific amendments where they differed.

My question is this. Normally, at the beginning of this part-session, we have a document from the Commission indicating its attitude to matters that have been dealt with in this Parliament. I do not see any such document on the agenda here today. In view of the fact that this matter of the poverty programme is being discussed at the December Council of Ministers, could the Commission give any more specific information about the points in my report?

Mr Richard spoke in very general terms. I think we ought to be able to hear some specific comments indicating what the Commission is in fact going to put before the Council of Ministers.

**President.** — A communication will be made to the Commission which normally should reply to our reports, not at the next part-session but at the part-session after that.

**Mr Cryer (S).** — Mr President, a number of remarks have been made about the work we should do. I want to raise with you a point of order relating to Rule 44, because it concerns the work that we should do. Part of that work is holding the Commission to account, whether it is for spending money on bulging warehouses whilst millions of people starve in Ethiopia or whatever. That accountability is achieved in some measure by questions. However, on the draft agenda there is no time whatsoever allocated to Question Time.

Although I am pleased at the adoption of the urgencies, that does not allow Members to ask questions in the way that has been established. Indeed, Rule 44 in the English version does not say that Question Time *may* be held, it says that Question Time *shall* be held at each part-session. It then goes on to say that the times of those questions shall be decided by Parliament on a proposal from the enlarged Bureau. However, the first part of that rule makes it mandatory on this Assembly to have Question Time. The only discretion allowed to the enlarged Bureau and the decision of the Assembly is in regard to the time of that questioning.

I consider Question Time a very important function of any assembly. It allows us to call those people in the Commission, who have made a botch of the distribution of food to Ethiopia, for example, to account,

**Cryer**

which I reckon is part of our duties. That rule must be carried out to the letter, which means that Question Time must be held. We decide only on the time.

**President.** — I can give two answers. The first is that, in general, during part-sessions devoted essentially to the budget, no provision is made for Question Time.

My second answer is that, when a request is made to amend the agenda, it should be presented one hour before the beginning of the session and signed by 21 Members of this House. That, in fact, is what Mrs Castle, who presented the request signed by 21 Members, did. Consequently, that is why the statement which you have just made and which I listened to with interest — like you I believe that Question Time is important — is, unfortunately, not receivable.

**Mr Welsh (ED).** — Mr President, I refer to the point raised by Mr Megahy. On behalf of the Committee on Social Affairs and Employment, I should like to say that it is a very important point indeed. The report adopted by Parliament refers to a proposal that is going to the Council in December. The Commission really must be made to answer the question put by Mr Megahy, namely, whether Mr Richard's statement in the Chamber last time to the effect that the Commission accepted the bulk of Parliament's amendments really means that or not.

Mr President, would you ask the Commission whether sometime during this week, at a time convenient to all concerned, it could make a statement on that very important matter? It is not good enough to put it off to the next part-session, because then it will be too late and the Council will have met.

**Mr Tugendhat, Vice-President of the Commission.** — Mr President, as you said in your answer to Mr Cryer, Parliament's agenda for this special budget session, as is usual on these occasions, does not have a Question Time. Had it done so, I would myself, as the Commission representative here this afternoon, have made sure that I was in a position to argue the questions raised by Mr Cryer and Mr Megahy.

I am not in the position to do that. I have, however, listened to what they have said and Mr Richard will himself be coming down to Strasbourg, I think on Wednesday. I see no reason, so long as you are in agreement and the House is in agreement, why a question should not be put to Mr Richard when he is here. I feel sure that he will be able to answer the question.

**Mr Provan (ED).** — Mr President, I refer to items 266 and 267 on the agenda for Friday. I understand that item 268 has been withdrawn. There is a very important point of principle at stake here, because it has been suggested that these reports go

through Parliament without debate. However, I for one, Mr President, know that the Committee on Agriculture, Fisheries and Food has not yet been able to deliver its opinion on these reports.

Moreover, there is something even deeper behind this. Since you have become President of this Parliament, the Committee on Agriculture and Fisheries has been given a new name and has now become the Committee on Agriculture, Fisheries and Food. All these reports cover aspects of food, I believe, and a number of colleagues on the Committee on Agriculture believe, that these reports should actually have been given to the Committee on Agriculture, Fisheries and Food and not to the Committee on the Environment, Public Health and Consumer Protection, because they do actually relate to food production.

Therefore, Mr President, I would ask you to have these reports withdrawn from the agenda, so that they can be given proper deliberation by the Committee on Agriculture, Fisheries and Food and so that its opinion can come before Parliament. In future I hope, Mr President, that you will ensure that all aspects of food production and food itself go to the Committee on Agriculture, Fisheries and Food, since you felt it appropriate that this committee should be given these responsibilities.

I speak to this quite passionately, because some of these reports are asking for certain controls on fresh meat and the inspection of fresh meat. It is perfectly easy for the Committee on the Environment, Public Health and Consumer Protection to say that the financial implications are important and that we must have common standards throughout the Community for meat inspection. However, until we actually have common standards that are required for these inspectors, it is wrong, and that is where the responsibility of the Committee on Agriculture comes in. I hope, therefore, that you will have this matter referred to the Bureau and that we get a proper division of responsibilities between the two committees.

**President.** — We have here a question concerning conflict of terms of reference which will be put to the Bureau, Mr Provan.

**Mr Cryer (S).** — On a point of order, Mr President, your response to my query seemed to me less than satisfactory, because what you were saying was that the rule had been ignored previously. Rule 44 in the English version, and I suspect in the other versions, says 'Question Time shall be held'. It is not at the discretion of the enlarged Bureau. I was not asking you if I could submit an amendment to the draft agenda signed by 21 names. I was asking you to refer this question back to the enlarged Bureau so that it can put a proposal before the Assembly for us to vote on. Otherwise, Mr President, your interpretation is that Ques-



**Cryer**

tion Time shall be held virtually at the discretion of the enlarged Bureau. That is *not* what the rule says. So I hope you agree that we can adopt the draft agenda on the understanding that this matter arising out of Rule 44 is referred back to the Bureau for its comments and proposal tomorrow.

**President.** — I gave you two answers, Mr Cryer. The first referred to the custom whereby no provision is made for Question Time during part-sessions which are primarily budgetary. You have only taken this answer into account. But I also gave you a second answer which was that, if you wish to amend the agenda which has been proposed you must submit a request signed by 21 Members one hour before the beginning of the part-session.

We are obliged to comply with this strict rule. Consequently, I cannot accept your request.

**Mr Ford (S).** — Mr President, my point under Rule 55 was exactly the same as the point Mr Cryer made. However, some traditions may have grown up, although Parliament is fairly young to have established traditions. Nevertheless, I would have thought that if Parliament wants to continue to follow those traditions, the Rules should be amended and there are procedures for amending the Rules. Until those Rules are amended, can I suggest that you, as President of this Parliament, implement the Rules we have, both with regard to items for topical and urgent debate and with regard to Question Time. I look forward to seeing some proposal from yourself to amend the Rules and, in the interim, to having the Rules carried out as they currently stand.

**President.** — Yes, this matter can be considered by the Bureau but, once again, the Rules have in this case been observed.

**Mr Paisley (NI).** — Further to that point of order, Mr President, surely the onus of dealing with the matter of Question Time must be on the enlarged Bureau and not on the House. Why should it be left to so many Members of the House to table an amendment to deal with a matter which should be dealt with first of all by a proposal from the enlarged Bureau? If this rule is as it stands, that 'Question Time shall be held at each part-session at such times as may be decided by Parliament on a proposal from the enlarged Bureau', we have no such proposal about Question Time before this House today. In fact, the enlarged Bureau wants us to forget all about Question Time. I would submit that the onus is upon the enlarged Bureau to bring in a proposal and not on 21 Members of this House, if you are going to do away with Question Time.

**President.** — Mr Paisley, in the last instance it is the House which decides.

In agreement with the group chairmen we proposed a particular agenda. The House can amend this agenda. It has, moreover, decided to do so just now with regard to urgent debate since it received, in accordance with the Rules, a request to amend the proposed agenda. The same can be done for other matters. However, today, we must follow what has been proposed.

**Mr Sherlock (ED).** — Mr President, the question I wish to submit for consideration is the interpretation of Rule 57. I believe a request for urgency has been made on behalf of the Council of Ministers under Rule 57. It is a fairly long rule that lays down some fairly precise criteria. As the invisible rapporteur on this subject — I say 'invisible' because at no stage have I ever been consulted; my invisibility may belie my bulk in this case — I am concerned that the correct procedures shall be followed.

Firstly, Rule 57(2) lays down that you, Mr President, shall inform us about it and that the vote 'shall be taken at the beginning of the sitting following that during which the text of the request was printed in the official languages and distributed to all Members'. I am sure there are those in this Chamber more fortunate than myself, but I have not yet received anything — not a single printed word in any language! We have, of course, until 8 o'clock tonight for that to be complied with. Otherwise I am sure you will obey the Rules, Mr President, and submit the matter to the vote on the day following which Rule 57(2) is complied with.

The second matter is contained in Rule 57(4). We have just had quite an interesting debate on what we do about Nicaraguans, Panamanians, Rhode Island Reds and all sorts of other things. We shall influence most of the matters, with the exception of Ethiopia, not one iota. However, it does say quite clearly here that 'questions to be dealt with by urgent procedure shall be given priority over other items on the agenda'. As I read this, we should go into this debate immediately the vote is taken tomorrow morning. It might even have precedence over the budget on Wednesday. It certainly might take precedence over Commissioner Pisani on Thursday morning if you are to interpret this first part of Rule 57(4) correctly. I really do not mind. I am not objecting to this Gadarene rush to decision-making, but I do insist that each and every clause of the Rules should be applied.

**President.** — Mr Sherlock, I shall reply to both your questions.

You refer first of all to Rule 57(2). I have been informed that this matter was referred to the House as far back as last May. Of course you can object that in the meantime we have had elections and that the composition of the House is not the same as it was last

**President**

June. That is why it is evident that a new distribution must be made. I shall give instructions that it be done as a matter of urgency.

In any event the House will be required to vote tomorrow on the request for urgent procedure. It can accept or reject it. If it wishes to reject urgency — which I hope will not happen — it can give the lack of distribution as the reason.

This matter is in the hands of the House and Rule 57(2) will be applied.

Rule 57(4) reads as follows:

Questions to be dealt with by urgent procedure shall be given priority over other items on the agenda. The President shall determine the time of the debate and the vote.

The House decided by a majority a moment ago that urgent topics would be added to the existing draft agenda. I have informed you that the enlarged Bureau would consider the matter tomorrow and fix the time. That is one of its duties.

**Mrs Weber (S)**, *Chairman of the Committee on the Environment, Public Health and Consumer Protection*. — (DE) Mr President, I simply wish to make clear that the committee insists that the three reports on air pollution should be taken together. The Committee on the Environment also takes the view that it makes good sense to take these matters together during this part-session as this would make it possible for the Council to consider the three proposals for directives on the reduction of air pollution in December. The statement which Mr Sherlock has just made does not represent the view of the Committee on the Environment.

**President**. — Mrs Weber, that is exactly what we proposed.

**Mr Sherlock (ED)**. — Mr President, I must come back. I am terribly sorry but I have not in any way referred to the substance of this matter. As far as Mrs Weber, yourself or anybody else in this Chamber knows, I am in total agreement with the idea that the three debates should be taken together. I have said not one word against this. I am asking you, Mr President, why we have not on the eve on which you propose to hold a vote had compliance with the requirements of the second paragraph of Rule 57.

You are factually wrong, of course, in that this was not offered until the summer of this year, until June, and the latest part of the paper was not even printed until 24 October. But let us not confuse the issue with such sidetracks. I merely ask that we should do everything correctly and in accordance with Rule 57. Of that I have no evidence at all at the moment.

**President**. — Mr Sherlock, I am terribly sorry, but I cannot agree with your. I can only repeat what I said a moment ago. Rule 57(2) will be complied with.

Tomorrow, the Parliament will have to vote on urgency and it can accept or refuse it. Parliament's freedom of decision on this matter is untrammelled. I do not see how the Rules will not be complied with.

I submit to the House the following proposals concerning the procedure for the vote on the 1985 budget:

- (a) the vote on the budget is divided into three large sections:
  - 12 noon to approximately 1.30 p.m., Mrs Boserup's motion for a resolution on the 1982 discharge; amendments to Section I, Parliament; Section II, Council; Section IV, Court of Justice and Section V Court of Auditors as well as Part A of Section III Commission, of the General Budget;
  - 3 p.m. to circa 6 p.m., Part B of Section III of the General Budget, Titles II to VI inclusive;
  - from 6.30 p.m. to circa 9.30 p.m. continuation and conclusion of the vote on the budget;
- (b) When several amendments have been tabled to the same item they will be put to the vote one after the other without any prior indication as is normally the case of all of the relevant amendments with their origins etc;
- (c) the opinion of the Committee on Budgets will only be announced if it is favourable. Where an amendment has been tabled by that committee there is no need to explain that its opinion is favourable and that therefore, its opinion on the amendments to the same heading is unfavourable;

Under the implementing procedures for examination of the general budget — Annex III to the Rules of Procedure — draft amendments and proposed modifications which obtain less than three votes in the committee responsible will only be put to the vote in Parliament if this has been requested in writing before the start of the votes, i.e. tomorrow, by a political group, a committee or at least 21 Members.

*(Parliament adopted these proposals)*

**Mr Provan (ED)**. — Mr President, further to my previous point of order regarding the order of business, you quite rightly said it was a matter of competence that I raised between the Committee on the Environ-

**Provan**

ment, Public Health and Consumer Protection and the Committee on Agriculture, Fisheries and Food. But I did go on to say to that that I would like to see these three reports withdrawn from the agenda until the Committee on Agriculture, Fisheries and Food had been able to give its advice to the Committee on Environment, Public Health and Consumer Protection. I think it is quite intolerable for a committee which is given a report, if it is questionable whether it is within their competence, to come forward and suggest that they be taken on the floor of this House without debate. I believe that there should be a debate and that they should always have the advice of what I believe in this circumstance to be the more competent committee. So until that advice is given, I hope that you will ask Parliament not to debate them, not even to vote on them, as is suggested in the agenda, and that these reports be withdrawn until the matter is resolved by the Bureau.

So can I therefore formally ask for these three reports to be withdrawn from the agenda.

**President.** — Mr Provan, I should like to draw your attention to Rule 34(2) of the Rules of Procedure which reads as follows:

The proposal and, where appropriate, the motion for a resolution contained in the report shall be put to the vote without debate.

That is what has been proposed as regards the matter we are dealing with. It continues:

Unless a political group or at least ten Members of Parliament lodge a protest in advance.

Consequently, if ten Members of this House oppose it, the Commission's proposal will be referred back to the committee responsible for reconsideration.

The provision which I have just read out introduces a procedure which enables objections to be raised to an item being taken without debate.

**Mr Provan (ED).** — Thank you, Mr President, do you want me to get ten signatures then or would you like me, in fact, just to get ten people to stand up and support me here and now? I am sure that Parliament will decide on it here and now if you so wish.

**Mrs Weber (S), Chairman of the Committee on the Environment, Public Health and Consumer Protection.** — (DE) Mr President, may I point out that the honourable Member had the opportunity of asking his fellow group members to criticise this procedure in committee without waiting until the plenary. To wait until now before questioning this procedure is, I feel, not the right way of doing things.

Moreover, I would ask you not to accept the statement by my colleague to the effect that this matter falls more properly within the terms of reference of the Committee on Agriculture rather than those of the Committee on the Environment, Public Health and Consumer Protection.

**President.** — There are two problems which, I feel, should be distinguished, although they arise simultaneously.

The first is the problem of the terms of reference of committees. That is the first thing. There is a conflict over terms of reference between the Committee on the Environment and the Committee on Agriculture. I believe that, subject to verification, this question was decided by the Bureau in favour of the Committee on the Environment. The Bureau has taken a decision.

You may, of course, take the view that it was not the right decision, but when, as happens quite frequently, a conflict over terms of reference arises between two committees, it is up to the Bureau to decide. That is what it did, in this instance in favour of the Committee on the Environment. That is the first problem.

The second problem concerns the vote without debate. On this matter, irrespective of the terms of reference of committees, provided he obtains ten signatures, any Member of the House can object to the matter being taken without debate. You asked me if I wanted you to do this or that. I am not asking for anything. I am simply pointing out that this possibility exists. You may, of course, avail of it, but I do not wish to put it to some sort of vote when, it must be said, there are not very many Members present. If you feel you must do so, I would prefer you to obtain ten signatures and that your objections be put in writing.

**Mr Provan (ED).** — Thank you for your help, Mr President. I do understand the difficulties here because I understand that the decision was really taken by the Bureau prior to the change of name of the Committee on Agriculture, and that was before your presidency came into being. I do realize that it is a historical problem. I thank you for your help and I can assure you that you will get a letter with ten signatures on it.

*(Parliament adopted the agenda as amended)<sup>1</sup>*

#### 4. Budget 1985

**President.** — The next item is the presentation of three reports:

<sup>1</sup> *Amendments to Friday's agenda — Deadline for tabling amendments — Speaking Time: see Minutes.*

**President**

- report (Doc. 2-965/84) by Mr Fich, on behalf of the Committee on Budgets, on the draft General Budget of the European Communities for the financial year 1985;
- report (Doc. 2-954/84) by Mr Curry, on behalf of the Committee on Budgets, on Section II — Council, Section II Annex — Economic and Social Committee, Section IV — Court of Justice, Section V — Court of Auditors, of the draft General Budget of the European Communities for 1985 (Doc. 2-700/84), Section III — Commission (Doc. 1-700/84);
- report (Doc. 2-955/84), by Mr Curry, on behalf of the Committee on Budgets, on Section I — Parliament, of the draft General Budget of the European Communities for the financial year 1985 (Doc. 2-700/84).

**Mr Fich (S), *general rapporteur*.** — (DA) Mr President, 2 October 1984 turned out to be a very sad day for the Council of Ministers. That was the day on which the Council had to abandon the struggle to solve the problems affecting the 1985 budget. Even though it had all the details clear as far back as July 1984 with only the most important political problems concerning the 1985 budget outstanding, 2½ months' more work did not lead it to any solution other than to throw in the sponge.

In so doing they forsook the very important principle embodied in the Treaties that the EEC budget shall be valid for a whole year and that the financial year shall run from 1 January to 31 December. Instead what was served up has been called a dishonest budget, an *ad hoc* budget which may also be called a ten-month budget.

So what does that mean? It means that in the agriculture sector, in the agricultural guarantee fund section, an amount was entered which was known in advance to be inadequate. It was an amount which at the most could cover ten months and that was even recorded in the Council's minutes. That amounted to side-stepping implementation of the agreement reached at Fontainebleau on the refund to the United Kingdom and it was entered in the minutes that that would be done later, that is in the autumn. Both as regards agriculture and the refund it was clearly acknowledged that they were not in a position to draw up a budget. In addition some appropriations were provided for the so called non-compulsory sectors — i.e. the social, regional, transport, development and a long list of other sectors. The amount allocated for the non-compulsory sector is also best described as sufficient for ten months only, since all these accounts show considerable cutbacks which means that, if the intention is to carry through the political aims, the amounts will not cover more than ten months.

Let me say loud and clear that Parliament's Committee on Budgets repudiates this attitude of the Council of Ministers. The Committee on Budgets considers that all foreseeable expenditure should be entered in the budget now, as should of course by analogy, all foreseeable income, that is income which corresponds to the expenditure. We see no reason to shelve the problem until the autumn, for what would the political consequences of such a postponement be? The result would be that 1985 would be one long struggle over the budget from 1 January right until the end of the year when, in view of all the unsolved problems, the Members will hold one another to ransom, those who have the greatest interest in an increase in agricultural appropriations will hold the United Kingdom to ransom and the United Kingdom will hold others to ransom. We shall thus arrive at the situation we have known for some years, with a protracted struggle on the budget resulting in the exclusion of all sorts of other things. This experience has been with us for some years and we in the Committee on Budgets think it is high time we progressed beyond that stage.

I should like to remind Members of Parliament's priorities, already laid down in April in this connection. These are of course combating unemployment and world hunger. We have recorded that several times. It may also be seen that these two areas have on several occasions been designated priority areas by the Council of Ministers itself. The Development Ministers have stressed time and again the need to combat hunger in the world and the Community's Employment Ministers and even Heads of State and Government have repeatedly stressed the importance of fighting unemployment. The last occasion was at the Fontainebleau Summit when it was emphasized that the new technology must now be applied and that a special effort should be made to combat youth unemployment.

As we then shortly afterwards received the draft budget from the Council we can see that these are not the intentions behind the draft budget. It appears that the Finance Ministers are pursuing a completely different policy line from that outlined by the Development Ministers on the developing countries and by the Heads of State and Government on the combating of unemployment.

We naturally therefore ask once more to whom should we in fact be listening? Who is in fact our partner in the debate? Is it the Council of Finance Ministers? Is it the Council of Development Ministers? Is it the Council of Heads of State and Government or who is it who is actually calling the tune in the EEC? This is a situation we know also from the field of agriculture. Time after time we see the Finance Ministers doing the opposite from the Agriculture Ministers, and so we sit and wonder with whom we are really negotiating.

We think it is about time that we managed to have one and only one Council instead of the present range of

**Fich**

various Councils of Ministers which do not conduct a coherent policy. There has been much discussion recently of budgetary discipline. I shall not go into that but simply point out that, in our opinion, budgetary discipline is first and foremost an internal problem within the Council of Ministers, namely a problem of bringing cohesion to their decisions — cohesion between the idealistic decisions and the financial consequences drawn therefrom.

The budget for 1985 does show an overall increase of 2% as compared, of course, with the budget for 1984 as it originally stood. If we take into account the supplementary budget which we approved a short while ago, there is a reduction of 2%, in addition to which we must count inflation at over 5%, thus giving a reduction in real terms of approximately 7%. This is a budget which takes us a step back and when we look at the details we must say into the bargain that it looks even worse.

1 and 2, agricultural guarantee sector, show an increase of 9%, from which inflation must naturally be deducted, but that still gives an increase in real terms, which means that the decisions which we have taken time after time here in Parliament to the effect that expenditure in the guarantee sector must not rise faster than own resources, are being ignored. Own resources are rising by rather more than 5% and, I repeat, the the guarantee sector is rising by approximately 9%. At the same time we know that it is not enough, that there are not sufficient means.

We can only conclude against that background that we are involved in an unacceptable development in the field of agriculture. It is however not a situation we can rectify by means of the budget. I cannot accept the argument — and the Committee on Budgets agrees with me — that it is via the budget that we shall alter agricultural policy. We believe that agricultural policy will be changed by modification of the regulations which produce budgetary consequences.

Turning to the non-compulsory sector, we see that there is a reduction of over 14%, so that taking account of inflation, there is a reduction in real terms of approximately 20% on non-compulsory expenditure. I shall conclude by saying that Parliament will not be able to adopt such a budget.

Parliament therefore naturally wishes to make several amendments. We agreed in the Committee on Budgets upon the absolutely fundamental position that we want a 12-month budget. There were no votes against that position; the Committee on Budgets is unanimous. We want a 12-month budget and we are prepared to face the consequences of that stance.

So what does that imply? I have already seen some newspapers stating that Parliament is increasing EEC expenditure. A 12-month budget will of course cost more than a 10-month budget — that is inevitable. If

we did not increase expenditure, the Council of Ministers would have to do so in any case; expenditure is the same whether the Council of Ministers gets round to solving the problems only in the autumn or whether we solve them now.

With that in view, we in the Committee on Budgets agreed to table the fundamental amendments set out below.

In the first place we wish to increase the agricultural guarantee section by 1 315 million ECU. That is the amount which brings us back to the Commission's original proposal concerning the agricultural guarantee section. That was the best estimate we had and we therefore entered that amount. We are entering these funds under Chapter 29 — a reserve within the agricultural guarantee section — so that they are immediately available for that guarantee section, but we have not specified for which account they are to be used. We cannot tell at the moment precisely where problems will arise.

In addition we have entered in the budget the refund to the United Kingdom and the Federal Republic of Germany. We are retaining the figure agreed upon in Fontainebleau, namely 1 000 million ECU to be paid to the United Kingdom. That is however a net total. Since the Committee on Budgets agreed unanimously to enter the refund to the United Kingdom on the expenditure side of the budget, the amount entered must clearly be the gross amount which comes to more than 1 000 million, since the United Kingdom itself will share in the extra expenditure. To recapitulate, we are thus retaining the figure of 1 000 million for the net refund to the United Kingdom, but the amount shown on the expenditure side will naturally be greater. The total figure for the United Kingdom and the Federal Republic of Germany comes to 1 500 million ECU.

Why is it so important that we should place this item on the expenditure side on the budget? Why is it so important to make the correction there? The reason is that we all wish to move away from the situation which is unacceptable to the United Kingdom. And if we want to move away from that situation there is a need for change in the United Kingdom itself — its industry and agriculture must show stronger growth, and that is what we wish to support. We intend by these means to support development in the United Kingdom which will lead it out of this unbalanced situation, rather than to start tampering with the income side of the budget and thus completely spoil the generally reasonable revenue system which the EEC has.

In the non-compulsory field — that is all fields not already mentioned — Parliament's Committee on Budgets wishes to increase funds for payment appropriations by 385 million ECU and commitment appropriations by barely 800 million ECU. We decided not

**Fich**

to go higher than the 385 million for appropriations for payment since we consider that to be the amount available within the 1% ceiling and we do not want to leave it to the Council to choose from amongst our priorities. By exercising self-discipline and keeping within a realistic framework, we have ourselves determined what use the funds are to be put to. Had we gone far beyond that framework, it would have been the Council of Ministers which again selected from amongst our amendments we had adopted what they thought the priorities should be and we do not want to leave that to the Council of Ministers. We believe that we ourselves should set our priorities.

Revenue must now of course be found to cover these increases in respect of the guarantee section, the refund to the United Kingdom and the non-compulsory areas. I wish to make the following comments with regard to the revenue side.

First of all the Committee on Budgets endorses the Commission's estimate of income, technical income such as customs duties, agricultural levies etc. In addition, the Committee on Budgets proposes an advance of 2 800 million ECU on the Communities' new own resources. This advance covers the extra amount for the agricultural guarantee section plus the refund to the United Kingdom and the Federal Republic of Germany. Clearly the way was paved for such an arrangement by the decisions concerning Supplementary budget No 1 for 1984. Such a mechanism was used in that connection taking an advance on monies due to be received.

I should like to add that we are also entering an amount of 123 million ECU for levies imposed on milk producers who exceed the 1985 quotas. That is due to the fact that, as the Commission itself has said, that that amount will be paid only in 1985, and so we have included it in the budget for 1985. The question has of course often been raised as to what will happen if quotas are exceeded by less than expected, so that we do not receive that amount. I would at once reply that expenditure would fall correspondingly or even more rapidly, since storage costs would be reduced and thus our budget would still balance.

Finally we are entering on the revenue side an amount of 30 million ECU — an amount of fundamental significance, namely interest from the Commission's accounts in the Member States. We have always been of the opinion that these should be interest-bearing accounts.

Thus we obtain a budget which, taken as a whole, balances. We obtain a budget which scarcely comes up to the 1% ceiling, bearing in mind of course the roughly 2 800 million ECU advance on new own resources.

Mr President, I do not propose to go over all the details as regards the various fields, since we are still to hear other spokesmen from each individual committee.

But allow me just quickly to mention the various fields so that it may be seen what line the Committee on Budgets has taken there, since the Committee on Budgets was naturally not able to satisfy some of the wishes expressed by some of Parliament's specialist committees.

I wish to draw attention to a proposal by the Committee on Budgetary Control in respect of the EAGGF guarantee section to block 10% of storage expenditure under Chapter 100, pending an examination of storage policy. We found this a reasonable proposal and we think that consideration should be given to whether this is the most effective way of solving these problems.

As regards the EAGGF development sections, we again did not have sufficient funds compared with the requests on the table, but we followed the definite line that it was for the less-favoured regions that funds should be made available and that is where there will be an extra effort.

As regards fisheries we have concentrated primarily upon structural policy, since we consider that it is for the Council of Ministers to finance market policy in the fisheries sector. It is in the structural field that we expect some problems in the future.

As regards regional matters we have this time clearly concentrated upon the Mediterranean area, not least Greece. We have primarily assigned the appropriations for commitment at our disposal to the Mediterranean programme and the five-year Greek programme.

I would also mention that we have given a high priority to transport in the commitment appropriations. There has, as everyone is aware, been no real policy implemented in this area to date, but by entering commitment appropriations we wished to make it clear that it is a priority for the Communities.

The Social Fund has received less this year than it usually receives in the increase. That is, I think, due to the fact that the opinion in the Committee on Budgets was that the Social Fund had emerged reasonably unscathed from its encounter with the Council of Ministers and was not therefore an area where most damage needed repairing.

I want also to mention the environment where we went back to Commission's original proposal, and the same also applies on the whole to research, energy and technology. I wish to emphasize here especially that we have supported new initiatives in the field of technology, since we are constantly amazed that the Council of Ministers does not itself follow up what was agreed by the Heads of State and Government at Fontainebleau. We have entered commitment appropriations to indicate that we wish to see these new initiatives.

## Fich

As regards development and cooperation we made every effort to make provision for this area. That applies both to strengthening foodstuffs strategy and to increasing funds for what non-government organizations can do and it applies not least to increasing funds to non-associated developing countries, and we have clearly indicated in that connection that we wish to see priority given to the Central American area as a result of events in the Contadora countries.

In addition we have entered funds to assist the accession of Portugal and Spain into the EEC and have, at the same time, entered an appropriation intended especially for Latin America, since we believe that it is time we paid greater attention to that continent.

I should like to say a few words also about the classification of expenditure. All the discussion which was in previous years very central to our debates has not played any important part this time. Other problems have been given priority, but there are of course still some unsolved problems in the field of classification and I shall just remind the House of these lest they be consigned to oblivion.

In the first place there are several unsolved problems arising from the signature of the tripartite agreement of 30 June 1982. These concern chiefly Titles 3 and 4, that is the EAGGF development section and fisheries title, but relate also to several other accounts. There is moreover the problem that the Commission and the Council have this time proposed the classification of several new accounts, which is not in line with the position hitherto adopted by Parliament in this matter and it is therefore a topic which must be taken up in connection with renewed tripartite talks.

As regards discussion about the margin for manoeuvre, which has sometimes in previous years played a central role, I wish to point out that we really did not attach special importance to it. Anyone who has been here for a number of years is well aware that the margin for manoeuvre may be calculated in many different ways and that, generally speaking, it is possible to derive whatever result is required. We really do not regard the margin for manoeuvre as the central issue this year. The central issue is the restriction with regard to the 1% ceiling, together of course — and this is perhaps the most important — with a political decision on the amount of resources to be used. We had regard partly to the 1% ceiling and partly to assessing where it was politically sound to use other resources, and that was our guiding principle as we worked.

On Wednesday Parliament will formally submit to the Council its proposed version of the budget. That is — as already mentioned — a budget which covers twelve months, is in balance and covers all foreseeable expenditure and income. Clearly Parliament is not in a position to maintain that line unilaterally. That requires close collaboration with the Council and a determination within the Council to try to solve the

problem. Naturally we have our various procedures for consultation. We have tripartite talks and joint consultations and I am certain that both procedures will be used. But we honestly believe that the problem lies within the Council. We consider that that is where the obstructions now lie.

There will be no lack of will on the Parliament's part to try to solve the problems, for I think I am expressing the general view when I say that we are getting tired of these continual budget crises. We want to solve problems rather than create them. We hope that the Council of Ministers will be in a position to resolve its internal disunity and overcome the obsession with prestige — it should not reject our proposal simply because it comes from the European Parliament — and be ready to grapple with the problems, realizing that they are problems it will in any case have to face in October 1985. Our plea to the Council of Ministers is therefore to sit down and look at the problems. We hope thus to return to a sound budgetary situation and avoid allowing 1985 to become a long budgetary duel about agriculture, refunds and everything we have been through in previous years. That will help no-one.

I thus now request the Council of Ministers to set to work and to try to put some effort into solving these problems and not merely to sweep them back under the carpet. I am certain that the Irish presidency, with which we had first-rate experience in connection with Supplementary budget No 1 for 1984, will do its utmost in this matter.

## IN THE CHAIR: MR GRIFFITHS

*Vice-President*

Mr Curry (ED), *rapporteur*. — Mr President, to the rapporteur on the Commission's section of the budget falls the glory in this budgetary exercise. It may occasionally be the rather dangerous glory of the sky diver, but nonetheless his execution is at least public! The rapporteur on the Parliament's budget has the sensation of climbing a mountain without oxygen, and as soon as he feels he is reaching a new peak of comprehension, the mists begin to descend once again and he finds himself rather short of breath!

As a new boy to the Committee on Budgets, I have been struggling up that peak, and I think that I may just be emerging from the mists at the top, but I am subject to correction by the old hands, who will doubtless wish to comment on what I have to say. The oldest of those hands is Mr Pfennig, who has handled this budget previously and in fact, took this present budget through all of its preliminary stages. Mr Pfennig has contributed, as it were, his pound of flesh, though I am, of course, permitted my penny coming along in the rear.

**Curry**

We have tried to elaborate a principle. Mr Pfennig's principle — and I must say that it is a perfectly legitimate principle — is that a certain reform can only be obtained by financial repression. I think what we have to do now is to move from the principle of financial repression to a principle of reform through structural change. I also think we have to move to reform through a certain self-discipline on the part of the Members and more effective working methods, which perhaps is the same thing, on the part of the administration.

In the problem of the structures there are two major questions which come to mind. The first of these is the quite absurd diffusion of responsibility in this Parliament as to who actually makes decisions on the budget. The Bureau is in control of the staff plan. The Committee on Budgets has to finance it. The Committee on Budgetary Control, the Quaestors, all have a say in the engineering of Parliament's budget. Yet there is a great gap between these authorities. What the Bureau proposes may not be financed by the Committee on Budgets. What the Committee on Budgets insists on may not be observed by the Bureau. This diffusion of responsibility is a fundamental weakness in the way we go about our whole business. What I have therefore suggested is that the President be invited to establish a body which, for the want of anything better, I have called a President's Conference, to be a sort of constitutive gathering to see whether or not we can either bring together these functions of financing and nominating or else establish a clear conciliation procedure between the authorities which perform their respective functions. In addition to that, we could examine how to make the execution of the budget easier and review the processes by which Parliament itself adopts its draft estimates. I do believe that some means to end this innerinstitutional — in the sense that it is within the Parliament itself — clash is an essential task.

Secondly, we suffer from a rigid labour market which, in more simple terms, means quite simply the lack of mobility amongst the staff. The staff plan reminds me of a rather venerable Gothic cathedral which is intellectually and aesthetically extremely satisfying but not necessarily serving the interests of the contemporary faith and with an occasional propensity to structural collapse. What we need is a certain degree of mobility; we need the ability to apply new equipment, and what we have done is to ask the Secretary-General again — and I know that the Secretary-General is willing to do this because all that I have done I have done in consultation with the authorities in time for next year's budget-making — to come up with a report on the principles of mobility and job specification. This is going to be particularly important when we face Spanish and Portuguese entry.

Pending this, I do favour a freeze on recruitment so that we may emerge with a more efficient and rewarding organization of our own work which includes

much clearer promotional prospects for the staff. These two measures taken together, Mr President, could end a lot of the futile and destructive internal wrangling over staff and budgets.

Now I come to the section which I have entitled 'self-discipline'. I think we should for a start limit the production of reports for advice. I suspect that most committees do not in fact read the reports other committees submit to them on a particular aspect of their proposal. I notice on my desk a 108-page report containing the advice of the various committees on the budget, and I ask myself how many of the 434 Members of this Parliament will actually peruse in detail that report. I do suggest that we should more effectively ask committees who are not the central committee in a debate to commission their rapporteur to argue his amendments orally in the responsible committee and in the plenary so that we can actually start to limit the amazing proliferation of paper work which is the nearest thing this Parliament contributes to a common forestry policy.

At the same time, the committees should be willing to spread their meetings over the full five days in Brussels — the congestion in mid-week, albeit if for honourable reasons, has the effect of multiplying the number of freelance interpreters we have to employ, which is an unnecessary budgetary burden. If the committees could agree some form of rotation to take the beginnings and ends of the week to spread our load, it would again be a budgetary saving without impinging in any sense whatsoever upon the autonomy or the quality of the work of this House.

The travel allowances — as you know at the moment the Travel Office follows the Members around their various perambulations as the clerks of a mediaeval king were inclined to follow their sovereign. We have not yet to my knowledge lost anything in the Wash, but I do submit that it may only be a matter of time. Therefore, I do think it is technically possible for Members to receive those allowances in the form of a single payment from a stationary Travel Office. It is not beyond the wit of Members to be able to change money in a bank, as the great majority of the population succeeds in doing, without, experiencing undue difficulty. Also I believe that we should see to what extent we can contract out the operations of the Travel Office itself when groups are meeting outside the main centres of the Parliament so that we can get the work done efficiently without a great deal of transfer of staff.

I think these are not bold or revolutionary ideas, nor do they do impinge upon the rights or facilities of any Member, they simply do what we want done rather more efficiently.

Now as to the financial review by the administration or that other form of self-discipline to which I referred. I have asked that all long-term contracts



**Curry**

should be reviewed. It seems to me to be a curiosity that the Parliament should spend more on cleaning than on heating, electricity and gas combined. I have asked that rents should be reviewed and that other long-term contracts should be submitted to a scrutiny, as indeed the other institutions are beginning to do with some of their contracts. I have also asked that there should be a forecast of future expenditure, not merely by this but by the other institutions as well, so that we do have some sort of multiannual programme in our budgeting.

I come now to the specific amendments which were put to the Committee on Budgets, and I will deal only with the most important ones. Staff salaries: there was a request for 3.7 million to meet the requirements for salary increases due as a result of a Council decision which has not yet been taken but which would affect in part the 1984 salaries and in part the 1985 salaries. I felt that we had to accept that. You cannot simply not pay people because you think it is too much. There are certain statutory obligations, and the Committee on Budgets agreed to add to the budget an amount which would be appropriate for the increase as it affected 1985, trusting that in the sweepings up at the end of the year it would be able to find sufficient funds to finance any increase in 1984. Group staff; the committee voted to accept a proposal for 16 extra staff which had the virtually unanimous support of the group chairmen; Mr Arndt being there to argue the good chairman's case and telling us that this would be the final demand the groups would make in staff terms for this five-year period, though that did not include the consequences of Spanish and Portuguese accession. This increase follows from the fact that there is a new group in the Parliament and that some of the other groups, notably the Rainbow Group and the Non-aligned Members, have changed in composition and organization. The committee voted for that.

The chairmen of the parliamentary committees asked for an increase in staff. However, upon the absolutely categorical assurances from the administration that these needs could be met on a provisional basis by internal transfers, the committee preferred to take that option. If there were to be a proposal, for example, to create committee posts but to block them until Spain and Portugal entered and then used them for Spanish and Portuguese officials, I personally would be interested in it. But I must say that it has not yet come to the committee, so therefore I could not state, as rapporteur, how that would be received in the committee. I did not propose any amendment which would add to the funds available to finance the differential in the level of Members' allowances which is due to the exchange rate. As you will know, the rates at which the ECU is translated at a national currency is paid according to a fixed base point. Some of these are out of date with the result that in the case of three nationalities — Germany, Holland and the United Kingdom — their Members benefit from a bonus on certain of their allowances. I felt that this was not a proper state

of affairs. We should move to phase it out. The Quaestors are examining this matter, and, therefore I did not feel able to supplement the funding which would be against this chapter.

Delegations; this is also an important element. Parliament is obliged by statute to send a delegation to its ACP associates. This will go to Burundi this year and I have financed that item, but I have used the 200 000 allocated to the parliamentary club to offset at least part of this expenditure. I understand there is also to be a delegation to Latin America. I am not quite sure of its status yet. I wish to offset this by taking what I regarded as being over-generous appropriations for visitors groups which could not be spent. The committee did not choose to follow me in that course. Therefore, at the moment that delegation is not financed, so there will have to be an amendment brought forward to finance that delegation.

As far as Parliament is concerned, my philosophy has been that we do not apply the mailed fist; but neither do we apply the kid gloves. I believe that the report represents a firm, steady and discriminating pressure for improvement to have a more cost-effective structure so that an institution — rightly under public scrutiny — can argue that it keeps order in its own House. I must make the point very forcibly that if Parliament is to find itself engaged in a debate with the other institutions about its role in the Community and its budgetary powers, it will be better armed to do so if it can prove that it is maintaining discipline in its own affairs, rather than allow an Achilles heel of ill-discipline to be exposed to those who wish to see its role diminished.

The other institutions: as you well know, the Council budget is not touched by us and they do not touch ours. This is based on a gentlemen's agreement — a phrase which may be terminologically not exactly precise but, nonetheless, seems to work in practice.

The Court of Auditors, the Court of Justice, the Economic and Social Committee: the Council has imposed upon them arbitrary economies or cash limits which in some cases appeared to me to provoke actual inefficiency in their organizations by compelling them to work below capacity. What I have tried to do is to apply common principles to the way we have treated them. My report is bound in a single volume for them so that we have established a common level of abatement at 3% with one or two rare exceptions. We have been very selective in the approval of staff changes, but we have been aware of the need to maintain a promotional structure which attracts talent and we have also felt that it was necessary to provide more autonomy in the management of their own budgets. It seems to me to be rather absurd if in these institutions it is necessary to get the approval of the budgetary authorities to replace the President's secretary's cat — and that is virtually the situation. In common with the Parliament, we are asking for multiannual forecasts and for

**Curry**

a clearer policy on staff; again with a view to accession.

Therefore, my report as it affects Parliament and the other institutions appears to me to be — and has emerged from the Committee on Budgets as — one of reasoned rigour, seeking to apply certain common policies while recognizing the different vocations of each institution. I quoted at the beginning of my report on the Parliament the remark from St Augustine that he desired the Lord to make him virtuous, but not quite yet. I think that my report is a small step towards virtue, but not too dangerous a one.

*(Applause)*

**Mr Tugendhat, Vice-President of the Commission.** — Mr President, this is the last time that I do present a budget in this House, though my experience of this House, and indeed of the budgetary process, is that it is filled with surprises. I would hesitate to say that anything is the last until the new Commission has finally been installed.

Mr Fich said that he hoped very much that we would see an end to these ongoing crises. He said that Parliament was fed up with them and that it wants an overall solution. I agree profoundly with him. After a number of years engaged in this particular activity, I am strongly of the view, as he clearly is, that what the Community needs is a period of budgetary peace.

Mr Curry referred to St Augustine of Hippo, and it made me wonder who the patron saint of budgeteers might be. I thought perhaps St Sebastian might be a contender, or even St Jude, who I believe was the patron saint of lost causes. However, perhaps St Anthony, the saint to whom one prays when one is looking for something, would be the most appropriate one of all. St Christopher, sadly, has been struck off the register by the last Pope.

Mr President, in my previous interventions on the 1985 budget in this House I outlined the Commission's preliminary draft and commented on the Council's draft. The Commission's basic approach for 1985 consisted of a proposal to cover all necessary expenditure requirements. Since these exceeded the 1% ceiling, additional finance had to be provided. The Council did not follow the Commission and drew up a budget within the 1% ceiling of VAT, a draft which is, in our view, self-evidently artificial.

I am glad, Mr President, that Parliament's Committee on budgets now recommends following the Commission's basic approach. In doing so, not only is the basic approach the same but there is also a considerable similarity between the figures put forward by the Commission and those now proposed to this House by the Committee on Budgets. If Parliament followed these proposals, total payment appropriations would differ

from the Commission's preliminary draft budget by 1.5%, which is not a great deal. As is sometimes the case — not always, but on this occasion — Parliament's figure would in fact fall slightly short of the Commission's aspirations.

The overall similarity is confirmed if one looks into the individual budgetary chapters. For EAGGF Guarantee, the figures proposed by the Committee on Budgets virtually restore the Commission's original proposal. For the important Chapters 5, 6 and 7 of the budget, concerning regional policy, social policy, energy and research, the difference between the Commission's and Parliament's figures is nowhere greater than 5%. This applies to payments as well as commitments.

For payments, the difference is in the order of 30 to 40 m ECU. The Commission, I would like to say, appreciates the support it is receiving from Parliament in these areas. For Chapter 3 concerning EAGGF Guidance and Chapter 9 concerning development cooperation, there is a more pronounced difference between the Commission's original proposals and the figures put forward by the Committee on Budgets. In both cases Parliament's figures are considerably lower.

While on a comparable basis these great similarities exist, there are two significant differences in the Committee on Budgets' proposals compared to the Commission's preliminary draft budget. The first concerns the transfer of certain expenditure items in EAGGF Guarantee to the revenue side of the budget. Secondly, provision is made for specific measures in favour of the United Kingdom and Germany.

On the first issue, the Commission does not dispute the rights of Parliament as regards the revenue side of the budget. On the other hand Article 2 of the own resources decision of 1970 provides that

'revenue accruing from other charges introduced within the framework of a common policy in accordance with the provisions of the Treaty establishing the European Economic Community or the Treaty establishing the European Atomic Energy Community shall constitute own resources to be entered in the budget of the Communities, subject to the procedure laid down in Article 201 of the Treaty establishing the European Economic Community or in Article 173 of the Treaty establishing the European Atomic Energy Community having been followed'.

Since the agricultural charges have been introduced within the framework of the common agricultural policy, the Commission preferred to enter them as negative expenditure — a clumsy pair of words! Nonetheless it seemed to us more appropriate. With respect to the measures for the United Kingdom and Germany, the Commission did not include any provisions in the preliminary draft budget because no

**Tugendhat**

agreement had been reached. I have made clear the Commission's position on this matter in the context of the Pfennig resolution on new own resources. I do not think, Mr President, that there is any point in my repeating that, but I did make our position clear on that occasion.

As in the Commission's preliminary draft budget, Parliament's first reading will go beyond the 1% ceiling, which poses the problem of additional revenue. For this the Commission has, of course, made the necessary proposals. These were not accepted by the Council. The Commission can only hope that the support from Parliament in this matter will induce the Council to change its position.

Mr President, Mr Fich made a comment about the nature of the budget and whether it should be for 10 or 12 months. A budget covering 12 months, as proposed by the Commission and now suggested in Parliament, is in our view appropriate and reasonable. The Council itself, I must point out, has recognized this need, because it has stated that it will introduce a supplementary budget. Now, budgetary orthodoxy requires that all expenditure requirements for the coming year should be covered. The Commission therefore supports Parliament in its desire to see a budget carried through which is designed to cover the 12 months of which a year is constituted rather than only 10, which was, I think, an idea put forward in France at the time of the Revolution.

**Mr Arndt (S).** — (DE) Mr President, ladies and gentlemen, to begin I should like to say how pleased I am that we are subject in this House, not merely to budgetary, but also to speaking time discipline. Thanks to the brief and pertinent comments of both the rapporteur and the Commissioner, we have already been able to make good much of the time we had lost on protracted Rules of Procedure debates. I hope this can be taken as a favourable omen for the budget debate.

From such good news, I must now turn to some negative remarks, inasmuch as I consider that the Council's draft budget for 1985 confirms the worst fears expressed by this House in budget debates over the past few years. This draft budget testifies to the Council's failure to take effective action; because of its weakness, hitherto, to remedy problems which have been apparent for years now.

Should the great historic endeavour of Europe's citizens to improve cooperation between nations in the wake of the first and second World Wars, be stalled, it will be in no small measure the fault of the Council of Ministers, whose narrow provincial outlook ill-equips it to deal with political priorities such as this.

We are all aware — and this was confirmed by the rapporteur and the Commission — that the budget presented by the Council is highly dishonest. The rap-

porteur has amply demonstrated that the expenditure appropriations will only be sufficient for ten months. Runaway expenditure for irresponsible surplus production in the agricultural sector can no longer be financed from the usual Community sources of revenue. No one can deny that this was apparent years ago. Time and again both the Council of Ministers of Agriculture, and the agricultural lobby in this House, were warned that their reckless and scandalous policy of subsidizing surplus production is actively contributing to the collapse of the CAP.

I have repeatedly stated in this House, and I would like forcefully to emphasize it again, that quite a few Members of this Parliament, as a result of their repeated calls for higher price guarantees for produce of which the Community already has a surplus, must share the blame for a situation in which small and medium-sized farms are left high and dry, the mammoth agri-industry is getting richer and richer, and the Community coffers have been so depleted that they can scarcely make any inroads on the unemployment problem — in particular that afflicting some 5 million of the Community's young people.

There is another point on which I should like to leave no-doubt whatever. Even if the improvements which we would like to have included in this budget were adopted, it will still fall far short of a budget which we in the Socialist Group consider worthy of the name. We believe — and on this we are echoing the views of the Community's citizens — that the main thrust of a budget ought to be the fight against unemployment, the promotion of science and the adoption of alternative sources of energy, the fight against hunger in the world and the promotion of the Community's less-developed regions, rather than one of financing butter mountains and wine lakes.

If we, despite such misgivings, join in the effort to put this budget on a solid footing, when it is put to the vote, we do so only because we wish to lay the groundwork for Community budgets in the years to come, which will, we trust, look more like the instrument we envisage. This explains our support for the motion which seeks to procure the additional 1 300 million ECU needed for the CAP, by advance payments from the Member States responsible, as opposed to financing it from own resources. This is also why we believe that the financial compensation paid to the United Kingdom, which is a consequence of the shortcomings of the CAP, should not take the form of a credit note against future payments to the Community, for which the UK, in common with all Community Member States, is liable. As Community funds are involved, they ought to be used according to Community guidelines on the fight against unemployment, improvement of the economic structure, and the relief of social hardship in the UK.

The Socialist Group trusts that this approach which is characterized by Community responsibility, will be

**Arndt**

adopted by a convincing majority in this House. We also hope — no, insist — that the Council will at last, between the first and second reading, assume its responsibility and take the course which Parliament is advocating.

We have another demand which will be crucial in determining the attitude adopted by the Socialist Group in the future. On the important issue of increasing the resources allocated to the Social Fund we supported the compromise recommendation of the rapporteur of the Committee on Budgets, but it was thrown out. There is no need for me to elaborate on the need, in the current unemployment situation, to provide more money for the Social Fund. We intend, therefore, to make a further attempt to achieve an increase of 25 million ECU. I would appeal to the members of the other groups to make an effort to support this measure, thereby making a valuable contribution towards the broad consensus which this Parliament needs in its efforts to achieve an acceptable budget.

The Council should at last take heed of the situation which has long been apparent to Europe's citizens. The crisis with which we are now confronted — high unemployment, the depletion of finances to pay for both storage and destruction of food, and the shortfall in the Community's revenue which hampers its efforts to implement suitable policies — has been caused, in part, by the Council itself. Should the Council now turn down Parliament's assistance, by rejecting our budget proposals, then it — and it alone — would be responsible for failure to reach agreement on the 1985 budget. We can do no more than urge all sides to realize their responsibility to the citizens of Europe.

**Mr Cornelissen (PPE).** — (NL) At this stage of the debate, I shall limit myself to a few main points. The fact that I shall not go into detail on the individual budget items does not mean however that we agree with them. On the contrary we are strongly critical of the hacking about of certain items which are essential if Europe is to be able to respond promptly to the serious problems which exist, both in the Member States and outside the Community. I should like to mention once again the inhuman situation in Ethiopia and the countries of the Sahel, the unemployment situation in our own countries and the threat to the environment.

Mr President, in our view a budget must satisfy two basic requirements:

1. the budget must be for a full year;
2. the budget must balance, i.e. the expenditure requirements must be properly covered and income must equal expenditure.

Mentioning these two points does seem to be stating the obvious, but to judge from the draft budget, this is not the case as far as the Council of Ministers is con-

cerned. The budget is only enough for a period of ten months. Let there be no misunderstanding, Mr President, the EPP group insists that we work on the basis of a budget for the full year. This means that there must be adequate funds to cover 12 months' expenditure. We cannot accept the Council's statement that a supplementary budget will be introduced around 1 October to finance Community expenditure in the final months of next year.

We want this to be clarified before the second reading. We agree with the financial estimates given by the Council, i.e. the amount of the draft budget with the additional 2 800 million ECU. We also consider Community financing to be very important. The right way to do that is to increase own resources from 1 to 1.4%. As far as the 1985 budget is concerned, we are arguing for the increase which it was decided to make in the VAT contribution to be brought forward, say, to 1 October 1985.

We should therefore like a speedy reply from the Council to the Pfennig report on the increase of own resources, which was recently debated by the European Parliament, together with the amendments which were adopted. We consider it essential to continue to press for ratification of the increase in own resources by the Member States. Perhaps the Commission's representative will be able to tell us what the prospects are on this point. The European Parliament expressed itself quite clearly on this point and it is now the turn of the Council of Ministers.

Finally, I should like to make a personal comment on the 8% increase in our own travel and subsistence allowances — a matter which understandably received considerable attention in some Member States. 8% is the average rate of inflation for the countries of the Community. Although this is therefore not an increase in real terms, I can understand why some people say that an increase of this type is not possible at the moment. In accordance with the view taken last year by all Dutch members of the European Parliament an amendment has also been tabled by the Dutch Christian Democrat and Socialist members to the effect that we should not take this 8% increase. I assume that all Dutch members of the European Parliament will support this amendment.

**Lord Douro (ED).** — Mr President, my group also supports, as other groups do, transforming this budget from a ten-month budget into a twelve-month budget. It is quite unacceptable that the European Community should adopt at the end of its budgetary procedure a budget which clearly does not cover a full financial year. This, Mr President, is the last budget before the Fontainebleau agreement will come into effect.

Two very important decisions were taken at Fontainebleau. Firstly, to increase own resources to 1.4% and secondly, to create a mechanism for solving the prob-

**Lord Dourou**

lem of budgetary imbalance *vis-à-vis* the United Kingdom. Those two important decisions were linked and will come into effect for our next budget which we will be considering one year from now. Of course, my group entirely supports that agreement at Fontainebleau, and we very much hope that one of the effects of it will be that the thorny question of British rebates which has bedevilled all budgetary procedure and discussions for many many years will finally be behind us and, therefore, together, British Members, Members of this group and Members of other groups can go forward to try and solve the very difficult budgetary problems of the Community.

The most important budgetary decision that the Community must now take is to decide when the increase in own resources should come into effect. An early increase in own resources is the best way to solve the budgetary problems of the Community. Delaying that increase until January 1986 is what is causing the problems for 1985.

So my group very much hopes that there will finally be a decision to increase own resources either in October 1985, as the previous speaker said, or that there will be an agreement to have an interim level of 1.2% for 1985. But either way, we want to see an increase in own resources in 1985 and we hope that there will be agreement shortly in the Council on that point.

Mr President, my group entirely supports the position adopted by Parliament on a number of occasions and repeated now by Mr Fich that Parliament does have powers to amend the revenue side of the budget. Only recently with the adoption of the supplementary budget, that power which Parliament has over the revenue side has been reinforced, and we entirely support that and we think that Mr Fich is right to make certain proposals on the revenue side of the budget.

Mr President, my group also supports the position which, I believe, will be adopted by Parliament later this week on the question of budgetary discipline which, of course, is connected with this debate, because we believe, as other groups believe, that Parliament is part of the budgetary authority and it is the budgetary authority which should establish budgetary discipline. That is what happens in all other structures of this type and we believe that Parliament must be a full party to the establishment of a proper budgetary discipline which the Community so desperately needs.

Mr President, on the details of the non-compulsory expenditure of this budget which Mr Fich is proposing to increase, we personally believe that we must not allow ourselves to exceed the maximum availability of own resources. If the two amendments to the revenue side are accepted concerning the super levy on milk and interest on the Community's own resources, then there will be a maximum by which we can increase non-obligatory expenditure of approximately 385 million ECU and we believe that we must not under any

circumstances go past that limit. Now unfortunately, when we leave the general part of this debate and go to the specific detailed sections of the budget, we will hear endless, persuasive arguments for increasing certain sections of the budget. But in all budgetary procedures, when there is a limited sum of money available — and there clearly is in this case — those who wish to see an increase in one section must accept that there must be a corresponding reduction in another section. That is the great difficulty which Parliament has got to face in the next 48 hours. And I hope that all Members of this Parliament recognize there is a limit. If we exceed that limit, either the President of Parliament will rule the amendments out of order or we will give the Council the chance to pick and choose between our amendments and we will lose the initiative in establishing the priorities for these increases. I do hope that all Members of Parliament will remember that principle when they are tempted to increase any section of the budget. I know there will be many seductive words and phrases thrown at us in the next 36 hours. We must resist them unless they are accompanied by a corresponding cut in another part of the budget.

I should like to conclude, Mr President, by saying how sad I am that on Chapter 9, the Developments section of the budget, the Council made a cut of 306 million ECU. We in the Committee on Budgets have recommended a reinstatement of 140 million of that cut. I am very sad that we could not put more back. It is the maximum, I believe, under the circumstances that we could put back. But I think it is a sad indictment of the European Community as a whole that the Council made such a heavy cut in that section, just at a moment when it is so desperately needed. I should just like to express my personal sadness that we could not reinstate more of it. That concludes the contribution from my group, Mr President.

*(Applause)*

**Mrs Barbarella (COM).** — *(IT)* Mr President, this year what we are examining is not a budget but an accounting artifice, and one that shows a degree of degradation of Community policy to which we have never before descended. And it is precisely this degradation that we are most concerned with. Restrictions, conditions — I would go so far as to say even blackmail — which the governments of the Ten are now imposing on one another, have prevented us this year from carrying out in the proper manner an institutional function which is our duty — the consideration of the annual budget.

We are, in short, asked to decide on an accounting document that we know from the outset does not express the true figure for foreseeable expenditure, but only part of it. In other words, we are asked to decide on a document that does not satisfy the basic rule that the budget shall be on an annual basis, but that is also

**Barbarella**

a document — and I emphasize this very strongly — which is at the same time a deception — both as regards the Parliament, which is the other branch of the budgetary authority, and as regards all those subjects whom the expenditure of the Community ultimately concerns.

In these circumstances, Mr President, it does not seem to us sufficient to denounce this illegal behaviour by the Council. We must also ask ourselves what is the meaning of such behaviour. In our view, it does not in fact signify simply an inability to face up to the serious problems of the Community, but also a clear determination to follow a line of action that is opposed, today, to the interests of the Community.

We think that by presenting a partial budget only, and not taking into account the remaining expenditure — which is already known today — until a subsequent occasion, the Council is not only playing a crafty game of shelving problems but is doing something that is even worse. Broadly speaking, it is accelerating the destruction of the European Community.

Of course, I am well aware that this process of destruction is not something that has just begun today, with this act of the Council's. The illegality of the manner in which this budget is presented does not in fact reflect a sporadic policy of the Council itself — a passing incident, so to speak — but is one more episode in a whole series of other illegalities, both of form and of content, that the Council has indulged in recently. This illegality is coupled with an attempt to pass a so-called 'budgetary discipline', which is fundamentally opposed to the spirit and the letter of the Treaties. It follows the repayment to Britain, which was a decision, taken at Fontainebleau, that — however you look at it — flies in the absolute face of the Community concept of own resources. It follows the covering of expenses arising from automatic legislation through agreements negotiated by governments outside any provision of the Treaties. I shall stop here, but the list could be continued further.

In short, Mr President, from this latest of the Council's illegalities a pattern seems to us to be emerging — and this is what worries us most — of a European Community that would, on the one hand, end up by administering a given amount of Common Agricultural Policy — which would be the amount that some Member States would consider appropriate, but not the amount that might with benefit follow from a radical, and necessary, reform of the Common Agricultural Policy — and on the other hand would see the total annihilation of all of those interventions and structural actions that ought to be the foundation — I say 'ought to be' — of the recovery of a Europe that wanted to meet the dual challenge of technological innovation and employment: in other words, of those policies that ought to be the basis for changing the nature of Europe's productive system — which is the only possible direction for the future of Europe.

I should like to remind everyone that Parliament — both the old and the new one — has already on a number of occasions rejected this asphyxiated restrictive picture of the European Community. It did this when it adopted a resolution in July; it did it again more recently in October, when it amended, in regard to some basic points, the decision on own resources. In short, Parliament is firmly opposed to the extinction of structural policies, and it is equally opposed to solutions for restoring budgetary equilibrium, when these are opposed to the interests of the Community.

I think I can say that the Committee on Budgets has approached its work in this same spirit, rejecting the draft presented by the Council — which was anyway false — and setting out to restore its proper form and content — not just its form — so as to give the Community, in 1985, a budget worthy of the name. In short, with its amendments, the Committee on Budgets has laid down again rules and principles of financial procedure; it has confirmed once again its policy for a nucleus — albeit small, but at all events adequate — of structural policies; it has rejected cuts in agricultural expenditure, unless they are preceded by the reform of the agricultural policy itself; it has rejected the anti-Community solution that was decided on, in regard to the problem of the British repayment; and it has called for the budget to be covered — a budget which, structured in this way, exceeds 1% of the VAT — by means of advances against future own resources.

Mr President, our group has made an active contribution to the work of the Committee on Budgets in restoring a dimension of reality to the budget, despite being fully aware — and I should like to emphasize this — that this budget, amended as it has been by the Committee on Budgets, still remains a very modest budget and one that is very far from meeting what ought to be the needs of the revitalization of Community integration.

We felt that it would not be responsible, on the part of either the Committee on Budgets, or our group, or Parliament itself, to play at being destructive. We think, however, that — even realizing this, as we do — it would not be possible not to react with great determination if the Council should prove deaf to the requests — very balanced ones, in my view — put forward by the Committee on Budgets. We think that, if the Council should prove so totally unresponsive, Parliament ought to draw from that all the logical conclusions, and in consequence use all the instruments at its command to oppose such an unacceptable attitude, going so far as to reject, if necessary, the 1985 budget.

In conclusion I should like to emphasize what, in our view, could be the significance of a vote of this Chamber in favour of the proposals of its Committee on Budgets: it would amount to the condemnation, in the eyes of public opinion, of behaviour and actions by the governments of the Ten that today are clearly against the Community; and at the same time it would also be

**Barbarella**

an indication of a way forward that is both different and possible — an indication so given by Parliament to everyone who believes that it is necessary, finally, to build a real Community.

**Mrs Scrivener (L).** — *(FR)* Mr President, ladies and gentlemen, first of all I should like to thank Mr Fich, our rapporteur, for the work already done and for the effort he has put into making possible proper co-ordination between all the political groups.

I should then like to say immediately that the Liberal and Democratic Group supports the solution proposed by the Committee on Budgets — that is, the adoption of a 12-month budget covering all the essential activities of the Community, having recourse for that purpose, over and above the 1% VAT ceiling, to advances by Member States on new own-resources.

I must point out that I find it rather surprising that the Council, which is a responsible body, always anxious to ensure that public affairs are administered correctly, should present us with, and ask us to adopt, a totally unrealistic budget based on 10 months and not even covering formal commitments already entered into.

I should like to know what national Parliament would allow such a thing to happen, and if by any chance one did so, would not that be a clear indication that the State in question was bankrupt?

We shall therefore vote for all the amendments and modifications which help to turn this 1985 budget into a realistic budget acceptable to public opinion. Thus — I was about to say once again — our Parliament is shown as a responsible institution.

In fact it would be almost enough to make one see red to think that it is the Parliament which has on the one hand for years past been demanding savings in the agriculture sector and which on the other has constantly denounced the very idea of net contributor to the budget, but which nevertheless for the sake of budgetary stringency feels compelled to include in the budget all expenditure for agriculture plus expenditure in respect of payments to the United Kingdom and the Federal Republic of Germany. We must admit that the situation is rather paradoxical!

Let us not therefore make any false accusations against Parliament when it arranges for the financial coverage of these items of expenditure through recourse to advances by the Member States! They are obliged to respect commitments already entered into. They are, therefore, not free to choose whether or not to finance such expenditure; they must do so, and do so immediately.

The European Parliament reminds them of that duty by the amendments made to the budget. As regards the increases concerning non-compulsory expenditure, the

amendments adopted by the Committee on Budgets do not involve exceeding the 1% VAT ceiling. That expenditure does not involve recourse to advances by the Member States. Thus this House is not proposing any ill-considered expenditure, as some of its permanent detractors have attempted to make people believe.

Finally, Mr President, still on the question of non-compulsory expenditure, the Liberal and Democratic Group supports the priorities set out by the Committee on Budgets. It is clear that for 1985 the emphasis has been placed — as a logical progression from the 1984 financial year — on Title 7 of the Budget with research, industry and energy all sectors in which real joint policies can be developed and where jobs can be created.

The means at present available are certainly inadequate to enable these projects to succeed. Nevertheless, the amendments presented in this connection must be regarded as pointers for the future.

We also welcome the additional amounts proposed for development and regard them as particularly important. In the dramatic situation now facing many African countries Europe must, more than ever before, be ready to heed their problems and be capable of providing in the short term the means of survival, but also in the longer term real possibilities for a solution.

Some of my colleagues will have the opportunity to speak, Mr President, but those are some of the points I wished to make on behalf of the Liberal Group. We must still request the Council of Ministers to take account of what Parliament has just decided if neither Parliament nor the Council wishes to see a serious crisis which would, there can be no doubt, scarcely help to further the building of Europe.

**Mr Pasty (RDE).** — *(FR)* Mr President, ladies and gentlemen, our discussion of the budget is opening in an atmosphere of crisis. It cannot be denied that this is a crisis of exceptional gravity, as everyone knows only too well.

Despite the warnings lavished in the past by the European Parliament, the Council's political shortcomings have faced all the Community institutions with an unacceptable situation — that of the exhaustion of own-resources, which today constitutes a threat not only to the functioning of the Community, but also to its very survival.

Thwarted by the exhaustion of own-resources and incapable of devising a political solution to the situation — despite the fact that it is obliged to do so under the terms of the Treaties — the Council has presented the Parliament with a totally unacceptable draft budget which is contrary to both budgetary orthodoxy and Community orthodoxy.

**Pasty**

The draft budget before us is contrary to budgetary orthodoxy since it does not provide sufficient funds to cover commitments which the Community has entered into for the whole of the coming financial year. The arbitrary abatement approved by the Council for the EAGGF guarantee fund's agricultural expenditure is actually tantamount to presenting a budget for eight or ten months only, which can only introduce an unacceptable element of uncertainty into the implementation of the main common agricultural policy which is, I would point out, the only truly common policy of the Community. By omitting from the budget the refund to the British government, which was agreed in principle and amount at the last summit meeting in Fontainebleau, the preliminary draft ignores the principle of budgetary universality, according to which a budget should itemize all financial commitments entered into by the authority drawing up the budget. In fact this approach which the Council has taken to the budget is intended to conceal a structural deficit of the order of 300 million ECU. The Council's extremely vague undertaking to make up the deficit over the year constitutes — and this we must condemn — a misuse of the supplementary budget procedure. A supplementary budget is conceivable only for the purpose of making any rectifications to estimates of expenditure or income which could not be foreseen at the time at which the budget was drawn up, but it must not be used to cover financial commitments which are clearly known when the budget is drawn up, otherwise the concept of a budget would obviously become nonsense.

But the preliminary draft budget is also contrary to Community orthodoxy since, in the form in which it has been adopted by the Council, it is not certain that all the political commitments into which the Community has entered will finally be honoured, which adversely affects that Community's credit. A truncated and incomplete budget will inevitably lead to the renationalization of the few existing common policies, in particular of the common agricultural policy, which would be a step on the road to the destruction of the Community.

As regards the refunds to the United Kingdom and the Federal Republic of Germany, irrespective of one's views about the underlying principle, Parliament cannot deprive itself of all right to monitor this important matter which touches upon the basic principle of financial solidarity. By failing to enter the relevant financial commitments in the budget, the Council has once again opened the door to all forms of bargaining and is condoning in an unacceptable way the anti-Community principle of the fair return by authorizing, where relevant, a State to make payment to itself from the resources which it is required to pay into the Community budget.

We cannot be answerable for such a disregard for the fundamental principles of the Community and of the Treaty of Rome. We shall therefore support the

amendments calculated to turn the apology for a budget placed before us into a real budget — that is, a budget for twelve months which will enable Parliament to exercise its political and financial review of all the commitments into which the Council has entered on behalf of the Community.

There are three essential questions which raise problems: these are the financing of agricultural expenditure, the details for payment of the United Kingdom's refund and the implementation of new common policies.

The financing of agricultural expenditure is for our group a fundamental question. European farmers must not be held responsible for certain mistakes in the administration of the common agricultural policy or, in particular, for the breach of the fundamental principles of the common market, such as the clear disregard for Community preference in the cereals, meat and oils and fats sectors. Nor must they be held responsible for the breakdown of market unity due to monetary compensatory amounts and the flat-rate repayment of VAT to German farmers — matters decided last June which go against the aims of harmonization of the conditions of competition, which is the very purpose of the common agricultural market. These distortions and breaches are the explanation for a great deal of the disorder attributed to the common agricultural policy, in particular for certain abnormal costs which have therefore — and we have always criticized the fact — been wrongly attributed to the common agricultural policy.

The decision taken last March to reorganize agricultural policy, leaving out of account that breach of Community principles which there has been no attempt to solve, unjustly places the whole burden of redressing the balance of European agricultural markets on the shoulders of European farmers alone.

We should beware of adding an agricultural crisis, the consequences of which would be very difficult for us to control, to the industrial crisis which is so badly affecting Europe.

The common agricultural policy has made it possible to modernize European agriculture. It has also enabled the Community to go beyond the stage of self-sufficiency in many products and to enter world markets and help to fight hunger in the world.

Are we to commit the folly of placing at risk the *acquis communautaire*, largely because the Member States do not want to advance the paltry sum of one or two thousand million ECU required for the normal running of the Community?

There must also be sufficient allocations to cover the revalorization of agricultural prices on 1 April next, since it would be unfair, in addition to the system of quotas and co-responsibility levies, to diminish the real



## Pasty

value of prices — which would inevitably be the case if guaranteed prices were not updated.

At a time when the problems of world hunger are becoming more harrowing — and several speakers have just drawn attention in this chamber to the scope of the problem in Ethiopia, the Sahel countries and so on — we have no right to risk destroying the Community's agricultural potential, which must, on the contrary, be further mobilized to serve populations dying of hunger who have no possibility of becoming self-sufficient in foodstuffs in the foreseeable future even with our support to that end. But that will require a great deal of time and effort. In the meantime only the developed industrialized countries which have been able to modernize their agriculture will be able to continue solving the problem of world hunger.

We must therefore re-enter in the budget not only the amounts provided for by the Commission for the EAGGF, but also funds for the revalorization of agricultural prices — funds which might be counterbalanced on the revenue side by the introduction of the tax on vegetable oils and fats proposed by the Commission at the beginning of the year, but on which I might point out, the Council has not yet given a decision.

I now come to the problem of the United Kingdom budgetary refund and in particular to the provisions for Parliament to monitor that refund. We can only condemn the principle of the fair return which is an absolute negation of the principle of financial solidarity. The conditions under which this matter has been settled, both at the Dublin summit meeting four years ago and at the Fontainebleau summit, are totally unacceptable. The problem of British budgetary imbalance which, I would point out, must be tempered to take account of what is known as the advantage of membership, will in our opinion find a fair and lasting solution only within the context of the development of new policies of Community interest complementing the common agricultural policy and the fisheries policy.

But it would be unthinkable for the Parliament to be deprived of all right to monitor this matter, and that implies that the relevant expenditure should be entered in the budget. If that were not so, the Community budget would be indirectly affected as far as income is concerned by the cutting off of own resources. This is not acceptable since it would amount in practice to the application of the concept of the fair return, which would thus become established by precedent.

There will therefore be many of us who accept the re-entering of these items of expenditure, whilst continuing to oppose the political foundation for such entries, in order to retain Parliament's right of inspection on the implementation of these appropriations and the financing provisions pertaining thereto.

But we also deplore the fact that the preliminary draft budget does not make provision for the launching in 1985 of new common policies which are becoming increasingly necessary for the purposes of taking effective measures against unemployment and which, as I have just mentioned, are the only possible Community solution to the problems of budgetary imbalance.

These are — I shall merely recall them, since other speakers will be taking up this subject — common policies on the infrastructure of transport, energy, telecommunications and in particular an industrial policy which will deal both with the problem of the reconversion of traditional industries and the promotion of new technology unless tomorrow we wish to see Europe overtaken in these sectors by Japan and the United States.

In fact — and I shall conclude upon this point — what this draft budget lacks most is a true Community aim. It is actually a reflection of the Council's lack of political will-power to guide the Community to real progress, in spite of certain declarations. The amendments approved by the Committee on Budgets, whilst taking account of the context of budgetary stringency applicable to all, do attempt to redraft a real Community budget which preserves the *acquis* and makes it possible to launch new policies. For this reason we shall support them almost as a whole. It is up to the Council to shoulder its responsibilities, otherwise the Parliament will have to draw the appropriate conclusions at the second reading.

*(Applause from the EDA Group)*

**Mr Bonde (ARC).** — *(DA)* Mr President, Mr Fich's report and the relevant proposed amendment cover a whole host of dubious practices. That is nothing new. What is new is that a Danish Social Democrat is now lending his name to attacks on the sovereignty of Member States.

In the first place, the 1% VAT ceiling is exceeded by DKR 23 000 million. This is just as if Mr Fich signed a wad of cheques and informed the bank that they would be honoured by a rich uncle some day. Perhaps they will be paid, but that does not give Mr Fich the right to use the funds today. The 1% VAT ceiling helps to determine the scope of the sovereignty which was surrendered with the 1972 referendum. May I therefore ask: will you join in recommending that the matter of exceeding the VAT ceiling should be put before the Danish electorate in the form of a referendum?

Secondly, Parliament's competence is also exceeded in the matter of the so-called non-compulsory expenditure. Parliament has the right to raise the Council's proposal by DKR 1 900 million, but Mr Fich and the Committee with him are grabbing DKR 3 100 million.

**Bonde**

This amounts to taking the law into one's own hands and is illegal unless the Council and the Parliament each adopt a new proposal for the rate of increase. I should therefore like to ask the members of the Committee in the majority: will you submit a new proposal on the rate of increase or will you be party to the continual breach of Parliament's own Rules of Procedure, which still require 218 votes for a new rate of increase?

Thirdly, the classification of compulsory and non-compulsory expenditure is changed to give Parliament slightly more control over the Council of Ministers' and Member States' expenditure. Slowly but surely the control is pushed from 5% of non-compulsory expenditure to over 25% now. May I therefore ask Mr Fich: how he can be party to such an extension of Parliamentary control with an electoral basis which refuses the Parliament greater control.

Fourthly, as a new departure Parliament is trying to influence the revenue side of the budget. An attempt is being made to set a precedent for Parliament to devise new sources of income without changing the budgetary provisions. I am not keen either on co-responsibility levies being entered as negative expenditure. This is a real side-stepping of the agreement to which the Council has been party. Co-responsibility levies should have been entered as new own-resources, but Mr Fich is now trying to change the budgetary agreement by altering the budgetary nomenclature — and that cannot be done!

It is fortunate that the rapporteur could not get a majority in the Committee on Budgets for a whole range of other tricks on the revenue side, such as altering the rules for the 10% refund to Member States for the collection of customs duties and agricultural levies and amendments to the Commission's estimates for various items of income. Mr Fich was prepared to use a great many evasive tactics to put various resources at Parliament's disposal. He has produced an amazing and inventive collection of Monopoly money. The proposals were rejected not because the majority was unwilling to be party to the numerous tricks, but simply because the majority considered that Monopoly money was not particularly suitable for paying the bills once the Council of Ministers starts refusing them by the handful. So the whole shoal of illegalities was bound together by the even greater illegality of exceeding the VAT ceiling in the hope that the money would be made available later.

Fifthly, Mr Fich is also trying to exert influence on the EEC's many borrowing and loan transactions in proposing to include borrowings and loans in the budget. What is the intention behind that? Perhaps Parliament is intending at the next budget talks to extend the scope of EEC borrowings and loans?

Sixthly, the majority in the Committee on Budgets is also trying energetically to legislate by means of the budget. There are many remarks intended to give Par-

liament influence over the law-making process, which is the domain of the Council of Ministers. How can the rapporteur reconcile that with Ivar Nørgaard's Folketing resolution of 28 May which states that the Folketing considers that the basis for Denmark's membership of the Communities is the preservation of the right of veto and retention of the division of responsibility between the Council of Ministers, the Commission and the European Parliament?

Finally, Mr Fich is also party to the intention to extend Community co-operation to a long list of fields outside the scope of the present Treaty. I congratulate Mr Fich on differentiating so scrupulously between his rôle as an individual and that as rapporteur when he dissociated himself within the Committee on Budgets from the appropriations for training and cultural activities. But why not then carry that differentiation through to other fields in which the Parliament is going beyond the scope of the Treaty of Rome — for example the proposal on Community television?

The Danish People's Movement against Membership of the European Community will therefore vote against the Fich report and at the eleventh hour we call upon the rapporteur to choose his own basis for voting in preference to the power struggle between the Council of Ministers and the Danish Parliament (Folketing). There is still nothing to prevent Mr Fich from closing the debate by saying that as rapporteur of the Committee on Budgets he recommends that the report be adopted, but that as a Danish Social Democrat he must recommend Members to vote against it.

**Mr Dankert (S).** — (NL) Mr President, the Budgets Council, in its wisdom, has decided to present a tail-less budget. Neither the arrangements agreed at Fontainebleau for the repayment of approximately 1 000 million ECU net to the United Kingdom, nor the agricultural expenditure for the final months of 1985, appear in the document before us. The same 3 000 million ECU, needed to finance these two categories of expenditure are not available under the heading of own resources. No policy exists at present to stop such expenditure being made, and in all probability there will not be any. I think that the British settlement reached at Fontainebleau for 1984 is unconditional in the 1985 budget, and will therefore have to be paid. In the second place, according to my estimates, the Commission has not made adequate provision for agricultural expenditure, and we must add to this the fact that at the moment the dollar is a far more uncertain factor — in my opinion — than it was when the budget was drawn up. And finally, at least part of the agricultural guarantee expenditure for 1984 will have to be met out of 1985 resources.

Altogether a picture which allows very little room for correction; add to that the fact that the 1 000 million ECU intergovernmental finance for the 1984 supplementary budget will not be available in time, because

**Dankert**

first the United Kingdom and then the Federal Republic of Germany made it subject to budgetary discipline, and we will reach a situation in 1985 where we have a budget with neither head nor tail. We shall see, and I think it is being discussed today in the ECOFIN Council and tomorrow in the general Council. But whatever may happen for the time being, I take the line that the payment of 1 000 million on an intergovernmental basis will still be made.

Mr President, with these observations on my part may I also give an assurance that the Socialist Group wholeheartedly supports — and I also heard the Commissioner, Mr Tugendhat applaud it — the effort by the Committee on Budgets to amend the 1985 draft, so that it represents the budget for a full year and so that no more will have to be carried forward from 1985 to 1986 than was carried over from 1984 to 1985. A budget for twelve months, therefore, even if it is not automatically a real budget, since at this moment it appears to be politically unwise to ask the Member States for more financing in excess of the ceiling on own resources than they themselves were prepared to pay in the beginning, namely the 3 000 million approximately, to which Mr Pasty has just referred, and which they registered as a deficit in Luxembourg at the beginning of October.

Mr President, it is essential for Parliament in the second reading to keep to the approach adopted at the first reading. I have already heard this point mentioned by some members of other groups. Nevertheless it seems to me absolutely clear that the existing approach has to be kept in both readings, because I think that if we do not do this, the budget strategy adopted, whether here, or by the Committee on Budgets, or by the rapporteur, might become exceedingly dangerous for Parliament. If we are unable to keep to the approach exactly until the end of the budget procedure, because we have allowed ourselves to be led astray by the few tens of million ECU over the odds, which the Council will offer us in December, then, I think, at the end of 1985 we shall pay back the few tens of millions with hundreds of millions. As far as that goes, I think that anything we might turn in in 1984 in the way of non-compulsory appropriations, will be as naught, compared with what might be hanging over our heads in 1985. Mr President, if we do not keep to the same strategy in the second reading, then — and this is at least as important — we shall be helping to generate another budgetary crisis in the Community in the second half of 1985, one which it will be extraordinarily difficult to resolve. And I think that the one thing the Community does not need is a new budgetary crisis, one which, in this case — as has been said already — will involve agriculture and the British contribution, as well as the non-compulsory appropriations, namely resources for the structural fund, already included in the 1985 budget.

That is why it is essential that we keep to a twelve-month budget, with, admittedly, a minimum amount

for agricultural surpluses; twelve months, including 1 000 million net for the United Kingdom, on the line and on the expenditure side.

As you know, we have had some problems with the British contribution, never problems about the amount, but invariably problems which involved spending, reconciling it with Community policy and with the controls to be exercised over it by Parliament and other Community institutions. It is of course slightly crazy that after Parliament had finally and with great difficulty reached a reasonable compromise with the Council over spending, it was agreed at Fontainebleau that the contribution would be financed in a completely different way.

Mr President, Parliament will obviously meet its British obligations. Some problems arose in 1984 because at the same time the United Kingdom did not want to meet European obligations which it had itself entered into. I think it is probably possible to find a link between the two. But as long as the United Kingdom meets its European obligations, Parliament is, I think, prepared to agree to the United Kingdom refund. A refund, I say, on the expenditure side, because only in that way is it possible to continue to respect the principle of Community own-resources which has also been accepted by the United Kingdom.

On a more practical level, the British problem is a problem of distributing budgetary resources on the basis of relative prosperity. As long as the agricultural policy results in prosperous countries receiving more from the EC budget than their prosperity justifies, Britain is, in principle, entitled to a refund from that budget. I hope that in the Council the British government will accept the Committee on Budget's approach regarding the refund. I think that in view of the endless wranglings in the Council of Ministers, and the problems which already seem likely to arise at the end of summer 1985, the British government will also see this as the best way of ensuring that the agreements reached at Fontainebleau are honoured.

Mr President, after so much self-congratulation, may I make a few further remarks on the work of the Committee on Budgets. Mr Tugendhat, for the Commission, said that as regards non-compulsory appropriations in a number of sectors, the Council's draft budget was not only lower than the Commission had proposed, it was drastically reduced when compared with the 1984 expenditure level. At the same time it involves sectors in which the Council too contends every year that a new approach is necessary; I am thinking of industrial restructuring, energy policy, transport policy, environmental policy.

At the same time it is apparent that there have been heavy cutbacks in food aid and development policy, precisely when food aid is needed more than ever and when, financially and economically, the third world is in a worse position than the EEC itself. My Group

**Dankert**

finds this unacceptable, just as it is also unacceptable for the Council to give inadequate expression to a major priority — the creation of job opportunities, which must be given expression by the introduction of new policy, the strengthening of the regional policy and by agricultural guidance, as well as by the Social Fund.

Mr President, this shows that in the main we support the amendments tabled by the Committee on Budgets, that we want to go a bit further on some points, and that at the same time, we are confident that as a result of the vote in Parliament, the 400 million u.a. which the Committee on Budgets has calculated to be the ceiling on own-resources, will not be exceeded.

**IN THE CHAIR: MR LALOR***Vice-President*

**Mr Bardong (PPE).** — (DE) Mr President, ladies and gentlemen, my colleague, Petrus Cornelissen, has explained that we in the PPE Group consider it vital that the budget cover the full 12-month period. I would add that we are committed to budgetary integrity. Thus the promised reimbursements to the United Kingdom and the Federal Republic must be honoured. The effect of inflation in the agricultural sector must be taken into account, as several speakers have already stated. But I would repeat that what we are demanding is nothing more than what is generally considered necessary. Its absence is due solely to the fact that we are dealing with a 10-month as opposed to a 12-month budget. The principle of budgetary clarity must also be respected and, on this point, I have very serious misgivings, for I cannot see how this budget can possibly do justice to such a principle. The same may, perhaps, be said of past budgets which have been debated in this House. There is, in fact, a host of budgetary appropriations which were not used up in the past, and which are now to be carried over. This epitomizes, in my opinion, the endless toing and froing which forms part and parcel of budget deliberations.

I have the impression that Parliament has always endeavoured to clarify budget proceedings, but that it has had to contend with the manifold shortcomings of the Council and, in this area, of the Commission too. Policies and measures which had been agreed were not applied but re-hashed and put off. Fundamental legislation is either being delayed, or even neglected.

Such a situation is, in the long run, unacceptable to Parliament, as one of the budget authorities. The Committee on Budgetary Control has given persistent warnings about this quagmire, and the Notenboom motion, which crops up time and again in this House, is a constant reminder of our concern.

The main source of our discontent is to be found in the lack of decision-making ability and the disunity which prevails in the Council — the fact that individual Councils of Ministers work in an incoherent manner. One wonders why it is not possible for the Council to contact Parliament early at the preparatory stage, of the budgetary procedure, as is the case with most parliaments in the world.

Why is Parliament only brought in at the first and second reading — and then only under the utmost duress? I have the feeling that there remains to the very end, so many uncertainties, ambiguities, imprecisions and even dishonesty, as opposed to timely intervention to ensure a clear, joint approach. There is no justification for the two budget authorities remaining sealed off from one another until the final stage of the proceedings. Parliament will have to be much more vigorous in insisting on being contacted earlier.

It should not be overlooked that such a hectic approach to budgetary policy is skilfully exploited by some as a means of pressurizing unsuspecting budget partners. It is, after all, childish that the Council, having included expenditure in the draft budget, subsequently cancels it and then speculates on whether Parliament will reinstate it within the original limits. I find it totally unacceptable that manipulation should be resorted to in an effort to reduce Parliament's room for manoeuvre — in this instance the attempt to artificially circumscribe Parliament's prerogative on non-compulsory expenditure. The issue will have to be resolved sooner or later, and food aid, together with expenditure within the framework of Community agreements with third countries, will henceforth have to be treated in the same way as the repayments to the United Kingdom and the Federal Republic, namely, as non-compulsory expenditure. It is clearly unacceptable that the controversy surrounding the level of expenditure which Parliament is empowered to dispose of, — 240 million or 400 million ECU — should be left hanging in the air until the end. Or is one to deduce that such uncertainties are actively encouraged until the end? Such behaviour does not augur well for the cooperation which is long overdue, should we wish to extricate ourselves from the budgetary crisis to which I, personally, can see no end. It is less a question of preempting a future budgetary crisis than of putting an end to that which is still raging, and to finally lay the groundwork for a viable Community.

**Mrs. Oppenheim (ED).** — (DA) Mr President, ladies and gentlemen, the great number of draft amendments to the budget bears witness to Parliament's initiatives and great intentions for a range of political activities; but unfortunately it is no secret that we cannot afford them, in any case not all of them. If we disregard agricultural expenditure we are left with no more than 8 500 million ECU available for use. As we know, that represents 25% of the whole budget, and is, I suppose, in that respect a decrease as compared with previous

**Oppenheim**

budgets. Both the Social Fund and the Regional Fund monopolize a great deal of that 8 500 million ECU and there is therefore catastrophically little remaining for other activities, for example in the environment, technology and, not least, industrial policy, which are immensely important. I might almost say that it is a potential death-blow to the survival of Community markets in competition with the USA and Japan. Or, to take a topical subject, which we debated earlier today — food aid to other countries. It is perhaps a little surprising that the rapporteur for the budget, Mr Fich, has given such a low priority to this field.

A further possibility is of course to consider limiting agricultural expenditure. There was already an attempt to touch upon this matter in March this year. But in that connection we must note that we are short of some results for the whole territory of the Communities on the quota arrangements approved earlier. Some Member States seem to have been more conscientious than others. It is clear that many people here in Parliament want a more market-orientated agricultural policy, but on the other hand we must realize that that is not possible at the moment. It is therefore again with some surprise that I must note that the rapporteur for the budget has made so incredibly little of the Council's proposal with regard to the reduction of agricultural expenditure by 1 300 million ECU. But fortunately the Committee on Budgets has proposed that this amount should be re-entered in the budget.

As many speakers have already mentioned today, it is very important to appeal to the Council to help to draw up a budget which covers the whole of 1985. I support the view taken by the Committee on Budgets and on that point thanks are due to the rapporteur for the considerable amount of work undertaken in endeavouring to find funds — a bit here and a bit there.

Ministers of several Member States have publicly acknowledged long ago that the draft budget is unsatisfactory and that it must now be faced that a supplementary budget will be needed during 1985. The situation is nevertheless grotesque. It is quite unacceptable to have to discuss a budget which does not cover the whole year. One can imagine that when we come to the 1986 budget it will probably cover only six months. I think it would unquestionably be in everyone's interest to have a longer-term budgetary policy so that more time will be available. We must insist that sufficient means are entered in the 1985 budget and we must also be clear now where the money is to come from.

As we know, there are not many possibilities. Many Members have mentioned this question. The most appropriate course now is to consider increasing the rate of VAT and with effect from an earlier date than 1 January 1986. So far as I can tell there is nothing in principle against that. When moreover the process of ratification is under way in the various Member States

— and we know that it can be a long drawn out procedure — it must be possible also to consider going the whole way and making an increase to 1.6% from an earlier date than 1988. It cannot be reasonable for this Parliament to have to go through these fundamental deliberations several times in the course of a year.

Finally I shall conclude by saying, as many speakers have remarked, that it is of special importance to have a strict budgetary policy.

**Mr Chambeiron (COM).** — (*FR*) Mr President, the Community budget is expressed in figures, economic choices and political choices but it also mirrors the conflicts which arise throughout the process of the building of Europe. In a word, it is the arena where the power struggles between the institutions arise and are pursued.

From this point of view the budget for 1985 is a model of its kind in what it reveals, but above all, in what it conceals or implies.

Every year the budgetary procedure gives rise to confrontation with the Council leading to breaches or compromises. The 1985 budget is no exception to the rule but we must acknowledge that this year the Council has surpassed itself by presenting us with an entirely artificial budget which has been simply cobbled together — I am sorry to put it so bluntly — and which covers only nine or ten months. For the two or three months which remain the policy seems to have been one of wait and see.

How many managers would dare to present such a budget without laying themselves open to a torrent of ridicule? I have a strong suspicion that the Council — or at least some Member States — intended to use the expected deficit as a means to press for the limitation of certain expenditure, in particular within the agriculture sector.

It appears that in the first instance our worthy rapporteur, Mr Fich, had the same idea. He has attempted to dazzle us with a firework display of figure juggling in order to prove that agriculture needs no additional resources. But it appears that the approach was not a simple one and the fireworks rapidly proved to be nothing but a damp squib, since the Committee on Budgets quite rightly followed the proposal of the Communist Group to have a real budget for twelve months reinstating the Commission's appropriations and including advances on own resources to make up the budgetary deficit.

This is both a serious warning to the Council and a statement of the intention of this House to break free from this state of permanent blackmail in which farmers are most often the hostages or scapegoats.

The budget for 1985 must represent a decisive stage both from the point of view of the rationalization of

**Chambeiron**

Community finances and of the expression of the intention to pursue the building of Europe by means of undertakings made within the context of existing policies.

The Community is just as short of inspiration as of money. Our proposals — put forward in the form of amendments — are intended to remedy both shortages. There was already a shortage of money in 1984. The increase in the rate of VAT will no doubt give a little breathing space, but other possible sources of income should not be ignored.

This Parliament was right to reaffirm its power in the field of income, but can we be satisfied merely with fine words? We are proposing action. It would be possible to generate new income immediately by enforcing greater respect for Community preference, for example by the taxation of vegetable oils and facts as proposed by the Commission or by taxing exported capital in excess of a given ceiling — these suggestions were, I would remind you, made by Mr Papandreu during his term of office as President of the Council.

It is nevertheless incredible that, just when we are trying to find a way to finance the budget, the Council should abandon 185 million ECU of income by anticipating by a year reductions in customs duties, in particular in favour of the United States, without any compensation.

The Community has been short of inspiration for a long time. Fontainebleau with its thousand fire-works has had the lifespan of a rose — a morning. The EEC is always at the crossroads, but it is difficult to choose your road when you are not sure which direction you want to take. It is however possible to break new ground in Europe, provided the political will is there. This is the aim of our amendments since, whilst we are aware of the limitations of the Community budget, we believe that it could help to contribute to combating the crisis. We would like in the first instance to correct the faults and inadequacies of the CAP by giving it new impetus and making it fairer. We must have done once and for all with the question of a refund to the United Kingdom which regularly helps to thwart the building of Europe. As regards structural appropriations we acknowledge the improvements made recently to the regulation. It is the first step in the right direction but we must take it further. We must avoid dispersion of appropriations, which frequently remain under-used or serve merely as a front for a redistribution between Member States, and concentrate them upon a few priority areas capable of promoting economic recovery and creating jobs, in particular for young people and women.

Just when the food situation is worsening in developing countries and when an increasing number of alarm bells are sounding around the world, the Council decides to make drastic cuts in food aid. How are people to understand that the Community is about to

refund to the United Kingdom three times the amount of food aid? This is an unacceptable decision which we reject and which we wish to rectify by means of our amendments, some of which have, moreover been taken up by the Committee on Development. We support the move to implement or strengthen Community policies in the industry, research and energy sectors, but not at any price and not by ruling out other types of bilateral or multi-lateral co-operation which have proved their worth.

The limitation of resources requires a more thorough consideration of the most effective method of distribution. We therefore attach great importance to the criteria for the allocation and utilization of Community appropriations for the promotion of economic recovery and the creation of jobs, in particular by means of reducing working hours.

As regards the more political aspects of this budget, we are pleased to note that the Committee on Budgets has adopted the amendments put forward by the Socialist and Communist groups calling for the appropriations earmarked for Turkey to be cancelled or held in reserve.

As you will see, ladies and gentlemen, our approach to this debate on the budget is critical, but constructive. We shall do our utmost to defend the budgetary powers of this House *vis-à-vis* the Council and break the sword of Damocles of budgetary discipline which constitutes a threat to the Community budget for 1985 and subsequent years.

**Mr De Vries (L).** — (NL) Mr President, the draft budget submitted to us by the Council is a step towards reversion to national interests, in that no balanced budget has been submitted to us. The 1985 draft budget shows a gap of almost 2 500 million ECU, more than 6 000 million guilders. How that gap is to be filled, the Council does not know. They still hope that it will be sorted out, but have no idea when. They have the audacity to ask Parliament to sign an over-drawn cheque. The European Parliament is not prepared to do that.

In the first place, because the draft budget is not in accordance with Article 202 of the EEC Treaty, which says that the budget shall be for a full year. In the second place, we refuse to sign the Council's over-drawn cheque, because we cannot accept a budget which is substantially financed outside the framework of the Treaties. That would create a precedent which could set in motion the dismantling of the Community budget. Our task is to help in the construction of Europe, not to demolish it. For these reasons we are calling for the entire budget to be on a basis which is compatible with Community law, and especially with Articles 5, 199 and 203(10) of the EEC Treaty.

Neither do we agree with the solution which the Council has proposed for settling the so-called 'British

**De Vries**

question'. Parliament wants the spirit and the letter of the Treaties to be respected. Well now, transfer of payments on the basis of the basic rate of VAT is not a national contribution, it is part of Community revenue. There can therefore be no question of a national reduction in the amount. A national reduction of VAT is also an assault on the budgetary powers of our own Parliament. Those powers, as the European elections clearly showed, should be extended, not curtailed. Our Group is resolved to act in accordance with the mandate conferred on us by our electorate.

It was the Commission that threw in the towel in this affair. Not us. The compensation for the UK and Germany has to be settled via the expenditure side of the budget, by developing new European policies in the fields of employment, transport and energy, not by hand-outs to two national exchequers.

Finally, we are calling for an amendment of the Council's proposals in respect of non-agricultural expenditure. In their proposals on technological policy, transport policy, industrial policy and the structural fund, the European governments have shown themselves to be remarkably incompetent. The ink with which the Fontainebleau pseudo-compromise was written was hardly dry before the budget Council tore it up. In ringing phrases the European Council called for new policies, and the competent Ministers decided to reduce the allocations for information technology and innovation by no less than 50%. Even expenditure on ESPRIT, the flagship of European technological policy, was cut by 5 million ECU. What the governments give with one hand, they take back with the other, seemingly without even being aware that they are doing so. The European Council proposes, but, as we all know, it is the national ministries which dispose.

To sum up, Mr President, instead of an overdrawn cheque, we are asking for a proper budget. Instead of accounting niceties, which are incomprehensible to the average European citizen, we ask that the British question be resolved by the development of European policies. And in place of a reversion to national interests in the Community, we are asking for a budget which does justice to the European people's hope for a better, more efficient and more effective Community.

**Mr Ryan (PPE).** — Mr President, I am not going to mince my words, although there are those who might think that when there is an Irish presidency, an Irish Member of Parliament would hesitate to criticize the conduct of the Council. But in order to emphasize the European dimension of our concern, it is most appropriate that an Irish Member should say that the Council of Ministers should be ashamed of itself for offering such a dishonest budget to the people of Europe. If a national government dared to present to its parliament a unbalanced draft budget like the one the Council of Ministers has put before the European Parliament, it would be rejected in that parliament. But,

not only that, the media throughout that nation state would also condemn a government for purporting to offer to the people an expenditure budget for twelve months while producing revenue for only nine months. That is the deplorable situation we now have in Europe: we have the Council of Ministers behaving in this disgraceful and unpardonable manner.

But, unfortunately, public condemnation of the Council is practically nil, except in this Assembly.

There is clearly a need for institutional reform in Europe, but much more important is a reform of attitudes, not merely on the part of individual Member States in the Council or of Members of the Council or of politicians in nation states. There is also a need for the people of Europe to realize where they are going and for our friends in the fourth estate to live up to their responsibilities of condemning the Council of Ministers when they so often defeat the objective of the European dream by producing solutions which do not even match their own hypocritical undertakings.

I honestly believe it would be much better if we were to abolish for ever this notion of the European Council because it is only a ritual of hypocritical declarations which are seldom, if ever, met by the resources needed to achieve the objectives that they piously recite. Unless and until we alter that deplorable situation, we are going to have continuing disputes, the continual undermining of the European dream; and the people in their fury and resentment will turn against the once democratic institution which exists, namely, the Parliament itself.

Jointly and severally, therefore, the Members of the Council of Ministers must be condemned. I know well how hard the Irish presidency has worked to produce a different result. I know that many Members of the Council have spent many days working to produce that result. The fact that they have not been able to do so is not a criticism of the Irish presidency, but of those who are unwilling to work as Europeans, and unless and until we get away from that deplorable situation, we shall continue to see the objectives of Europe recede further and further.

In this Parliament we properly resent the irregular attempts by the Council unilaterally to put European finances into a straitjacket tailored by Ministers alone. Budgetary discipline is preached by these people who themselves would not exercise the fundamental discipline of any budget, i.e. to ensure that it is balanced when it is presented. It makes a mockery of their protestations about budgetary regularity and discipline when they present such an unbalanced budget as the one that we are asked to approve.

It saddens me that we should have come to this pass in the European Community, but what saddens me even more, as I said earlier, is the fact that there has been such little public condemnation of the Council of Min-

**Ryan**

isters and of the governments responsible for the decision of the Council of Ministers which denies the people of Europe the revenue necessary to meet what are accepted even by the Ministers themselves as necessary targets.

Of course, we have been offered an undertaking that the funds will be presented in 1985 in ample time. But what reliance can we put upon an undertaking to provide funds when the ink on the Fontainebleau Agreement is not even dry. The Ministers undertook at Fontainebleau to produce at the following Council meeting a solution to the shortfall of funds in 1984. But the Council met and the Council adjourned without coming to the necessary decision, so we were left in this Parliament with only seconds to spare to adopt a supplementary budget to meet the requirements of 1984. In that situation we have little reason to believe that the undertaking given will be honoured in good time. It is a very sad thing to think that we will have to struggle through 1985 witnessing Europe in disarray because the Finance Ministers, of all people, will not face up to their primary obligation of producing a balanced budget.

**Mr Alavanos (COM).** — (GR) Mr President, I have the following comments to make on behalf of the members of the Communist Party of Greece.

Firstly, we cannot treat the Community budget as if it were a separate thing in itself, boxed-off and totally removed from other economic developments in the Community, from the overall question of the contribution of resources as affected by the national budgets and the economic policies of the member countries's governments. Given this there is no way in which we can, for instance, stomach the British Government's call for a cut in its contributions when at the same time this government is spending enormous sums on arms. We cannot understand why the Council of Ministers is unable to increase food aid at a time when the countries of the Community are prepared to tolerate the massive transfer of capital from the EEC to the United States of America. It is in this wider economic context that the Community budget assumes, we believe, its proper measure, its truly peripheral nature as borne out by the 'margin for manoeuvre' available to Parliament which has the effect of inveigling even the progressive forces within the EEC into a well set up charade.

Secondly, a lot has been said about the fact that in presenting an annual budget which covers expenditure for only 8 or 9 months the Council has done something which does not happen even in Marcos's Phillipines. Going beyond what has been said, this demonstrates the extent of the crisis and the depth of contradiction and hopelessness besetting the European Economic Community. The conclusion for a country like Greece is that it cannot rely on EEC membership for its recovery and way out of the crisis. Moreover, we want to

emphasize that this ruse by the Council is a way of putting a squeeze on spending for 1985.

Thirdly, this squeeze on spending is most apparent in the area of agricultural expenditure. As the Committee on Agriculture has said, the market support credits will run out in the middle of November. Guarantee prices are being cut at a time when inflation has risen to an average of 5.2%. Certainly, Mr Arndt did say that measures to help small and medium-sized farmers are necessary, or do exist, but we can see that in reality it is they who are being worst hit. It is worth noting that the biggest cut in the EAGGF Guidance Section, to the tune of 25.72%, is in the area of peripheral activities.

A fourth comment concerns the financial stringency we can see evolving in parallel with the budgetary process. As the French Minister of Agriculture has, I think, rightly stressed, it is clear that this principle will strangle agricultural expenditure. We cannot but ask the Greek Government why, albeit in a formal sense, it has accepted the principle of financial stringency and why it fails to see the enormous dangers which the imposition and practical implementation of this principle hold for Greek farmers.

Fifthly, we cannot turn a blind eye the fact that there is a move at the institutional level to limit the right of veto member countries have. Given that the governments of the members countries which sit in the Council are objectively more sensitive to pressures from the working people of our countries, we look on these moves to strengthen the powers of the European Parliament *vis-à-vis* the Council with great suspicion and, if you like, opposition.

A sixth point concerns the refunds to the United Kingdom. The important thing is not whether these are entered under the heading of income or expenditure. What matters is that they are being made, that they put the Community budget out of balance, and that instead of our achieving the strategic objective proposed by the Greek Government for the 'transfer of resources from the North to the South' we have exactly the opposite, except that the Greek Government does not seem to have drawn the corresponding conclusions.

A seventh point, and one which precisely confirms what I have said, is that, with the 1985 budget, the Mediterranean programmes have in effect been shelved indefinitely. There is, of course, the amendment of the Committee on Budgets regarding the 90 million ECUs, but we have already embarked on a process of constant erosion of the Mediterranean programmes. The same state of affairs applies, I think, as regards the Greek Government's five-year plan.

In the light of this I think that certain conclusions should be arrived at, especially by the Greek Government which has based its policy on acquiring resources



**Alavanos**

from the Community budget. A new path needs to be opened up for our country leading to an anti-monopolist policy for overcoming the crisis, with reorganization of our productive capacity, something which is in no way possible, as the Community budget makes plain, as long as we remain in the EEC and continue to go along with its main policy choices.

**Mr Van der Lek (ARC).** — (NL) The budget is one of the very few powers Parliament has with which to influence the overall policy of the European Communities. It is one of the few opportunities for Parliament to indicate how it thinks Europe should be organised. As you know, the 'Green Alternative' in the Rainbow group have complaints about the way in which the policies of the European Communities operate at present. We consider them to be technocratic, favouring profit and competition at the expense of employment, the environment, and, indeed, the future of the world. Policies which support the big undertakings, which provide ample opportunities for large-scale farms and deprive millions of small farmers of their existence.

We think that the budget must make it clear to the Council and the Commission that we want a different Europe with different policies. In the amendments which we have tabled, we have given a number of key points on which, in our view, policies must be changed immediately. There are many examples. I can think of the promotion of atomic energy, a dangerous development and one which is unnecessary and which consumes a lot of money. But, on the other hand, the Council and the Commission have reduced the money for alternative forms of energy, which are to hand, and which we all know to be capable of covering a major part of our total energy requirements at a future date, if adequate research, subsidies and incentives are available. This is what we want to change, and our amendments are directed towards that end. The same is apparent in agriculture: it is madness to expend three-quarters of the budget on fostering a way of agriculture which just goes on producing more surpluses.

We have selected one example which clearly shows how industrial subsidies in fact take back what the superlevies put in. The subsidies in fact help to produce thousands of millions of tonnes of milk powder, which then take a long and circuitous route back to the farmers, to feed calves. We consider that a small part of these subsidies would be sufficient to provide a large number of farmers with a more respectable and more rational way of feeding calves.

I could go on with the examples. Social funds are being cut back. Mr Fich said that clearly in his speech. We talk endlessly about fighting unemployment and the lowering of minimum welfare standards, but the funds available for welfare purposes are much too low. We want a different policy on that too.

My colleagues in the group will provide other examples in the course of the debate, so I shall not give any more. But I do think that it is now imperative for there to be a change of policy and for the EEC to alter course. Technocratic policies directed solely towards profit and competition with America and Japan will result in the collapse, not just of Europe, but of the world.

**Mr Rossi (L).** — (FR) Mr President, at this stage in the debate I should just like very briefly to make two points.

First of all I should like to point out, as several speakers have already done, that the budget which is to be put to the vote in first reading is in fact not a budget relating to the year 1985 as a whole, but covers rather only nine or ten months, leaving the last months of the year to the goodwill of the Council and its impromptu contrivances. This is clearly not a responsible approach. No Member State would think of having a budget which did not cover the whole year.

I would add in this matter that we are faced with an attitude which is at least incorrect and even dishonest with regard to farmers when they are given to understand that all commitments concerning them will be honoured, whereas we are simply faced with a declaration of intention by governments which are not accepting the financial consequences and which are presenting a budget which leaves out of account 1 300 million ECU in the EAGGF guarantee sector.

I say plainly that this is not acceptable. We shall therefore wholeheartedly support all amendments and draft amendments which seek to make the figures more realistic.

Secondly, I do not think that we can at present block the increase in agricultural prices in 1985, which, as we all know, occurs in March or April of each year. There is no provision for such an increase in the budget we are debating. Many speakers have declared in this House that we want a realistic budget. It is not realistic to suppose that there will be no increase in agricultural prices in 1985. Can we seriously claim to be realistic when we see financial coverage for the increase in agricultural prices left totally out of account in the draft submitted to us?

I regret, moreover, that the Committee on Budgets, of which I am a member, did not feel obliged to insist on such a precautionary measure, which nevertheless seems to me to be elementary. I shall therefore vote for those amendments which make provision for a reserve of 500 million ECU for the purposes of increases in agricultural prices — such a reserve must of course be financed from advances on new own resources.

Those are, Mr President, the comments I wished to make in this debate on the draft submitted to us which

Rossi

is undeniably the first about which we feel compelled to say today that it does not incorporate even a minimum of budgetary ethics.

**Mr Guermeur (RDE).** — (FR) Mr President, the Treaty of Rome not only created the conditions for the coordination of national policies, but also provided for the elaboration and implementation of common policies binding upon all Member States.

By laying down certain principles which are the basis of and the condition for European Union, the Treaties ensured that the will of the Community would be respected in this regard.

The budget submitted to us proves that the spirit which was present when the Community was set up has been sacrificed to petty haggling over short-sighted national interests.

The first snag is that the budget is merely an expedient and does not cover expenditure for the whole year; that is an unacceptable departure from the normal rule of an annual budget.

The second snag is that the sums which the Community is to spend to make the fair return of part of the British contribution are regarded as non-income. The process is an infringement of the democratic rule according to which all expenditure must be put to the vote in Parliament.

In fact these two flagrant breaches are merely the reflection of a serious lack of political courage on the part of our governments. In order to buy a false agreement and create the illusion that the European spirit was saved, the authorities in our various States have tried to hide reality, but then reality, as we know, is stubborn.

The first reality is that own resources, limited for a further year to 1% of VAT, will not be sufficient for the implementation of common policies already agreed. They preclude *a fortiori* all hope of any new policies — that is of any progress in the building of Europe.

The second reality is that the acceptance of the fair return disguised as non-income is nothing but the re-nationalization of the common agricultural policy and the common sea fisheries policy.

Thus our British partner has managed to make us forget that its financial efforts in favour of European agricultural production was amply rewarded by the opening to its industrial products of a market of just over 200 million consumers.

The European Parliament does not have the right to bow before a *fait accompli*. It must do its duty and get the budget back on an honest course; it must not fall into the trap set by the Council of Ministers.

Getting the budget back on an honest course entails the re-introduction of the appropriations required for the CAP and maritime Europe — that is, 1 300 million ECU. This expenditure must be covered by advances from the Member States until such time as a realistic decision is taken concerning own resources.

Avoiding the trap entails denouncing the non-income manoeuvre which exempts the British Treasury from its contractual obligations. It also entails, and I would emphasize this point, refusing to enter this exemption as expenditure in the Community budget, otherwise the European Parliament, on the legitimate ground of monitoring the implementation of all expenditure, would bear the responsibility of having condoned a practice which was contrary to the letter and the spirit of a united and interdependent Europe.

I shall therefore, Mr President, make my vote subject to three conditions: first the budget must cover the whole year, secondly the CAP must be covered and thirdly the fair return should not be acknowledged by a formal entry in the budget.

## 5. Agenda

**President.** — I think I should point out at this stage that I have received from Mr Provan and ten other Members an objection tabled pursuant to Rule 34 of the Rules of Procedure, opposing the inclusion without debate of the three reports by Mrs Weber on behalf of the Committee on Environment, Public Health and Consumer Protection. Those are Docs. 2-934/84, 2-935/84 and 2-951/84. These three reports have therefore been referred back to the relevant committee for further consideration.

(The sitting was closed at 7.55 p.m.)<sup>1</sup>

<sup>1</sup> Agenda for the next sitting: see Minutes.

## SITTING OF TUESDAY, 13 NOVEMBER 1984

### Contents

1. <i>Decision on urgency</i> <i>Mr Prout; Mr von der Vring; Mr Collins; Mr Prout; Mr P. Beazley; Mrs Squarcialupi; Mr Sherlock; Mr Prout</i> . . . . .	35	4. <i>Budget 1985 (continuation):</i> <i>Mr I. Friedrich; Mr Patterson; Mr Adam; Mr Linköhr; Mr Turner; Mr Ippolito; Mr Poniatowski; Mr Staes; Mr Croux; Dame Shelagh Roberts; Mr Welsh; Mr Seeler; Mrs Dury; Mrs Salisch; Mrs Maij-Weggen; Mr Tuckman; Mr McCartin; Mrs Dury; Mr Welsh; Mr Hutton; Mr Griffiths; Mr O'Donnell; Mr Ebel; Mr Visser; Mr Newton Dunn; Mr Collins; Mr Muntingh; Mr Alber; Mr Roelants du Vivier; Mr Papapietro; Mrs Seibel-Emmerling; Mr Brok; Mr Saby; Mr Cohen; Mrs De Backer-Van Ocken; Mr Christopher Jackson; Mr Trivelli; Mrs Heinrich; Mr Tortora; Mr Simons; Mr Vergès; Mr Kuijpers; Mrs Focke; Mrs De Backer-Van Ocken; Mrs Van den Heuvel; Mrs Lehideux; Mr Price; Mr Langes; Mr Di Bartolomei; Mr Tugendhat (Commission); Mr Fich; Mr Cot</i> . . . .	67
2. <i>Budget 1985 (continuation):</i> <i>Mr Varfis; Mr Klepsch; Mr Fitzgerald; Mr Tomlinson; Mr Kyrkos; Mr Sutra; Mr Mizzau; Mr Rigo; Mr Christodoulou; Mrs Boserup; Mr d'Ormesson; Mrs Hoff; Mr Petronio; Mr Ulburghs; Mr Pfennig; Mr O'Keeffe (Council); Mr De Gucht; Mr Marck; Mr Ebel; Mr Woltjer; Mr Dalsass; Mr Provan; Mr Pranchère; Mrs S. Martin; Mr McSharry; Mr Graefe zu Baringdorf; Mr Paisley; Mr Eyraud; Mr Früh; Mr Romeos; Mr F. Pisoni; Miss Quin; Mr Tolman; Mr Debatisse; Mr Musso; Mr Bonaccini; Mrs Van Hemeldonck</i> . . . . .	37		
3. <i>Agenda</i> . . . . .	66		

IN THE CHAIR: MR ALBER

*Vice-President*

*(The sitting was opened at 9 a.m.)<sup>1</sup>*

#### 1. *Decision on urgency*

**Proposals from the Commission to the Council (Doc. 2-351/84 - COM(84) 226 final) on**

#### I. **a directive on the approximation of the laws of the Member States concerning the lead content of petrol**

#### II. **a directive amending Directive 70/220/EEC on the approximation of the laws of the Member States relating to measures to be taken against air pollution by gases from engines of motor vehicles.**

Mr Prout (ED). — Mr President, I want to refer you to Rule 57(2), in particular the part of the first sentence which begins after the semi-colon. I am referring of course, Mr President, to the English text. It reads as follows:

... the vote on that request shall be taken at the beginning of the sitting following that during which the text of the request was printed in the official languages and distributed to all the Members.

It is my understanding that the only printing and distribution of the text appears in the minutes which we

<sup>1</sup> *Approval of the minutes: see minutes.*

**Prout**

have received on our desks in this House this morning. I know of no previous distribution. If this is correct, then it would be quite wrong to take the vote on this matter this morning. The rule clearly states that the requests shall be taken at the beginning of the sitting *following* that during which the text of the request was printed in the official languages and distributed to all Members; that is to say, this morning.

So, Mr President, if you read the rules correctly — and I think the rules are unequivocal on this point — then the appropriate moment to vote on this request for urgency is not this morning but tomorrow morning.

**President.** — With regard to your interpretation of Rule 57(2), Mr Prout, all I would say is this. If you want to play the Jesuit, then, of course, you are not altogether wrong. The intention behind the rule, however, is that the text of the basic document should have been distributed, and that has been done in all the official languages. The only thing that is missing is the request that the matter be dealt with by urgent procedure. However, everyone knows, without having it in black and white in front of him, that that is what it is all about. We can take it therefore that Rule 57(2) has been complied with.

**Mr von der Vring (S).** — (DE) Mr President, surely we should not conduct ourselves, especially in the presence of Members who have been in this Parliament for quite some time, as though we were not aware of the customs of this House. On several occasions in the past the Rules of Procedure have been interpreted in a way that went against the wishes of Members of the House, in that documents are assumed to have been distributed once they have left the printers, although they have not yet reached the Members. We have done this every time, and without objections from the Conservatives. We have all tried to be here this morning at 9 a.m. Now it turns out that there is not such a large majority here as some people expected. Nevertheless they should let the vote be taken.

(Applause)

**President.** — I shall allow one speaker in favour of the request and one against.

**Mr Collins (S).** — Mr President, I assume that we are being asked for urgency on this because the Council believes that it is likely to take a decision in December and that our December part-session is too late. Therefore, we require urgency.

I think — I should point out that I am speaking for — that this request for urgency is motivated by one of two things. One is simple cynical hypocrisy, that is to say, a desire by the Council to give the impression that

it is doing something when in fact it has no intention of doing anything. Secondly, it may be based on false optimism because it sincerely believes that it is going to reach a decision when in fact we know, and everyone else in Europe knows, that it is not. That demonstrates the sheer inability of the members of the Council to read the signs or, come to that, to communicate among themselves. Perhaps it is even a 'passing the buck' exercise — passing it to Parliament in the hope that perhaps we will not be able to reach a decision. Then they will be able to blame us when they go before their own parliaments and their own electorate.

I want to recommend to this House that we do not give them the opportunity to do anything of the kind, that we do grant them urgency, that we do say that we will offer an opinion this week, but on condition that if there is no decision in December, we reserve the right to bring it back here and consider the matter further and in greater depth. Provided that provision is written in and provided that provision is made absolutely clear, then of course we are in favour. However, I would remind the House that over the last five or six years this Council has got no great record of reaching quick decisions. On the tenth anniversary of environmental policy in the Community, Mr Narjes said something which this House would do well to remember. He said: We had a good Council meeting last night, we nearly made a decision.

I am in favour of urgent procedure.

**Mr Prout (ED).** — Mr President, I am not going to speak against, because the matter of substance will be dealt with by another Member of my group. However, after the vote is taken, I do want to come back to you on the point of the Rules of Procedure.

**Mr P. Beazley (ED).** — Mr President, I believe that to bring this matter forward under the urgency procedure is a trick. It is a trick because in point of fact this is being pushed through against the normal procedures of our committees. We have not seen the report. We in the Committee on Economic and Monetary Affairs and Industrial Policy have put forward an opinion, which I understand the rapporteur has not yet seen. Therefore, I cannot see how we can vote for urgent procedure on this matter when in fact the House is not aware of the substance of the report. I will vote against.

(Parliament agreed to urgent procedure)

**Mrs Squarcialupi (COM).** — (IT) Mr President, you asked who was in favour, and who against. It is possible to be against the request made by the Commission and the Council, and still vote in favour, so as to avoid consequences that might be even worse.

In this way, we intended on the one hand to emphasize the lack of respect shown to Parliament by the

**Squarcialupi**

Council and the Commission, with their request for urgency, but at the same time to make it quite clear that we were fully aware that we had to vote in favour of this request . . .

**President.** — That was not a point of order.

**Mrs Squarcialupi (COM).** — *(IT)* No, it is precisely that, Mr President, that you did not allow me to say before, when you asked who was in favour and who against, thereby giving the very clear impression that one had to be on one side or the other, and not have 'modulated' ideas on the subject. We voted in favour, even though we voiced our extreme criticism with regard to the offensive request, made to Parliament, to start an urgent discussion on these problems, when we know how long ago Parliament itself had raised them, and how long all of us here, and public opinion, have been aware of them.

At all events we, too, wanted to vote in favour, so as not to give the Commission and the Council any alibi for not taking these important decisions.

**President.** — Mrs Squarcialupi, that was against all the rules. It is only because of my boundless admiration for you personally that I allowed you to make that contribution.

**Mr Sherlock (ED).** — On a point of order, Mr President, paragraph 57(4) of the Rules states that priority shall be granted to matters which are deemed to be urgent. Now I in my strange, possibly slightly jesuitical, way would think that this meant that we should proceed to the debate forthwith. After all we have proclaimed by an enormous vote the urgency of this. How does your particular spiritual guide — for you said you were interpreting the rules according to the spirit — advise you this morning on Rule 57(4)?

**President.** — Mr Sherlock, you have quoted only the first sentence of Rule 57(4). The second sentence says:

The President shall determine the time of the debate and vote.

This item will be taken in conjunction with the debate on the Schleicher and Van Hemeldonck reports on Thursday.

The deadline for tabling amendments is set at 1 p.m. on Wednesday, 14 November.

**Mr Prout.** — On a point of order, Mr President, I am shocked to think that some Members of this House believe that my intervention on a point of procedure was in some way politically motivated! It was not, of course, in any way, because, as all Members of this

House will know, the effect of my interpretation of the rules would simply have delayed this vote until tomorrow morning.

I am concerned, however, about the way in which this rule has been interpreted. I quite understand, Mr President, that you have been interpreting this rule in the same way as former incumbents of your honourable Chair. I think, however, that there is such a discrepancy between what the rule says and what this House has customarily done that this matter should be referred to the Committee on the Rules of Procedure and Petitions for its consideration. I hope that in the exercise of your office, Mr President, you will do that on behalf of my group.

**President.** — We shall refer the matter to the Committee on the Rules of Procedure and Petitions. Nevertheless, I am convinced that my interpretation of the sense of the rule is the correct one. If your interpretation were correct, it would be sufficient to distribute the request that the matter be dealt with by urgent procedure without distributing the basic document itself. However, the latter is much more important.<sup>1</sup>

## 2. Budget 1985 (continuation)

**President.** — The next item is the continuation of the debate on the budget.<sup>2</sup>

**Mr Varfis (S).** — *(GR)* Mr President, without any doubt the budget we are looking at has been influenced by the exhaustion of own resources. Irrespective of that, however, this is a particularly crucial budget because developments hinge upon it which will have a definitive effect on the future of the Community. The decisions concerning the increase of own resources, the issue of monetary discipline and the question of enlargement are matters which cannot be ignored. They have caused uncertainty and confusion, and if these are not cleared up there is a danger of their culminating in a budget which will be deficient, ambivalent and potentially harmful to the future progress of the Community. Parliament is seeking, under the weight of these circumstances, to bridge the differences which have set it at odds with the Council, differences which, in the final analysis, spring from the perception each of the budgetary authorities has about the nature of Europe. The declarations, repeated at one summit conference after another and through successive crises, concerning the Community's recovery, about putting the Community on a sound footing and tackling the immense challenges of our times, can no longer convince any but the few. And this because the

<sup>1</sup> Documents received: see minutes.

<sup>2</sup> See Debates of 12. 11. 1984.

**Varfis**

measures proposed with a view to realizing these objectives are hopelessly inadequate. The budget for 1985 highlights this. Its main feature is the drastic cut-back in expenditure, particularly in non-compulsory expenditure. Why this cutback? Is it because of the problem with own resources? Or is this just a pretext for cutting back on spending in line with a dogmatic new monetary policy representative of specific interests? If it were for the former reason, and if the Council were saying 'patience for a year and then when own resources are increased the real problems will be tackled so as to put the Community on a firm footing,' this would be easy to understand. Unfortunately, however, everything points to 1985 being seen, by the majority in the Council, as the base year, the starting point, the prototype for keeping Community budget expenditure on a stable price footing in the years ahead. The level to which own resources have been raised is wholly inadequate for the development of Europe. This increase only makes up for shortfalls rooted in the past, apparent in the 1984 and 1985 budgets. It also covers the refunds to the United Kingdom and Germany, and perhaps, because this is open to question, the cost of enlargement. Along with the plan for financial stringency every precaution is being taken to forestall any further increase in own resources in the next few years. To be more precise, expenditure on existing and new policies, and appropriations for cooperation with the Third World, non-compulsory items that is, will remain at stable levels in the coming years, as in the 1985 budget, as though, according to the majority consensus in the Council, there had been no increase in own resources. According to this view, which rides roughshod over the rights of Parliament, the only permissible criterion for raising non-compulsory expenditure will be the average rate of inflation pertaining in the Community. This shows quite clearly in the butchery of payment and commitment appropriations in the area of non-compulsory expenditure. Why this butchery when these commitments will not necessitate payments until 1986 and later, namely, after the increase in own resources has taken effect? This brake on expenditure is a hindrance and setback for the Community. One could look upon it as self-evident. The fact is, however, that for many of the Member States the ideal Europe is nowadays thought of as one which does not entail greater budgetary expenditure. The question facing those who hold to this view is how to put Europe on the path of progress without increasing its expenditure, and their answer is enlargement of the internal market on the one hand and, on the other, the introduction of a common passport and a common hymn.

No one disputes that the tightening up and monitoring of expenditure are important and necessary for the Community's progress. But there is a tremendous gulf between an endeavour which could set things going well and the situation which is taking shape today. Despite all the declarations of good intent the pretext of curbing waste kills any prospect of progress. According to the peculiar logic being applied, the need

to reduce the butter mountain entails keeping social and regional expenditure static.

But can anyone seriously maintain that the financial needs of the Community are, already, being met? That the Community is already moving ahead at a rate which will enable it to respond to the immense challenges of our time? Is it possible to match up to the technological challenge and to the challenge of cooperation with the Third World without raising expenditure? These two challenges are brought up very frequently — and quite rightly so. In contrast, whether by design or not, there seems to have been a conspiracy of silence for many months concerning a third challenge, the challenge of Community cohesion, of making a material fact of Community solidarity. This challenge is equally as important as the others, and moreover a proper approach to it is a precondition for dealing successfully with these two other challenges. Community solidarity does not reside in the rich having a moral obligation to help the poor, as some seem to see it. The key to real cohesion in the Community, to its credibility and, in the long run, to its survival, is the removal of inequalities through the social and regional policies. Unless a comprehensive effort is made in the area of structural policy for the purpose of aiding in particular the development of southern Europe, especially in view of the impending enlargement, the outlying countries of the Community will find themselves relegated to marginal status. The performance of the Community in this respect is, however, utterly disappointing. Only 0.1% of its overall GDP is earmarked for structural policies, whereas most of the Member States allocate 3 or 4% of their GDPs for the relief of their own internal disparities.

The Council says 'no' to development of the structural policies, 'no' to the Mediterranean programmes and 'no' to the development of transport infrastructures because these would involve new financial burdens. But a Community which limits itself to opening up and safeguarding the internal market, which do not, of course, involve the acceptance of new financial burdens, blinds itself to the heavy economic and social cost of such a policy for the less-developed Member States. A cost so high that these states will perhaps not be able to bear the brunt of it, and therefore it will not be possible for them to accede to it.

At this present critical juncture for Europe Parliament has gone as far as it could to bridge its differences with the Council over the 1985 budget, short of undermining the future of the Community. The main thrust of Parliament's desire to prevent the Community taking a backward step is expressed in its positions on the increase of commitment appropriations, even though, in my opinion, it has not gone far enough in this, having merely not closed the door on the possibility of dynamic development for the Community along the lines I have mentioned.

I believe that the real way towards this dynamic development lies in the development of non-compul-

**Varfis**

sory expenditure. The position Parliament has taken, though in accordance with the Treaties and logically sound, can in no way be described as bold, and to forestall danger Parliament should, I think, stick steadfastly to this position right to the end without retreating any further either on the 1985 budget or on the question of financial stringency.

**Mr Klepsch (PPE).** — (DE) Mr President, honourable Members, I think I must address a word of thanks to the Committee on Budgets and its rapporteur. The Committee on Budgets has managed, on the basis of compromise with all the groups in this House, to draw up a draft budget for 1985 which we will have to discuss with the Council in the conciliation procedure.

May I begin with a few words on this Parliament's self-image. The citizens of the European Community have elected us so that we can carry out in full the tasks incumbent on us under the Treaties, in their interests and in the interests of the Community. So we naturally have the duty to ensure respect for the Treaties and to ensure that the Community as a whole and the interests of its citizens are protected and represented in the deliberations on the budget. I think the House must be especially conscious of this duty in a difficult situation such as the one in which the Community now finds itself.

We recognise that the Community and all its institutions are in a difficult situation. But we must not forget that this difficult situation is the result of a failure to act for which this Parliament is not to blame. Years ago Parliament already pointed out that the threat of agricultural surpluses would eventually also affect the budget. We have put forward various proposals to deal with this. The Council did not take a decision until it had to. Now it has tried to pull the emergency brake, and I think this will produce a whole lot more difficulties.

So far we have managed with a 1% VAT ceiling, because we budgeted carefully and never used up all our resources; but we did not create reserves in case of difficulties either, and instead resources tended to flow back to the individual countries in the form of supplementary budgets. Fine — only we must realize that in the past the European Community was not the paymaster of the national budgets.

Subsequently, it was decided to transfer further tasks to the Community. That is of course necessary, for instance if we want to keep pace with our competitors in international external economic relations, in the development of technology, knowledge and research. Clearly the Community had to take on new tasks; but no new resources were transferred to the Community. So much for my preliminary remarks. I will now say a few words on this budget.

I am sure everyone realizes that the budget which the Council has put before us was not drawn up in accord-

ance with the Treaty of Rome and cannot be regarded as consistent with it. The Council has tried to conceal this by admitting that the funds entered in it will only last 8 or 9 months. That is disputable; some people reckon they will last 10 months. The Council intends to submit a supplementary budget concentrating on two issues, the question of the UK contribution and agricultural prices. We have heard this declaration of intent, but it does not replace a proper budget.

Since the Council alone bears full responsibility for any decisions that are not taken or are delayed, I would also like to say that in the case of the budget we must insist that, given the difficult situation now facing the Community, the Council must work out a settlement jointly with us. That is to say, we must clarify the financing. The speaker before me has already said that Parliament has reached the limits of what we consider acceptable with the compromise proposal drawn up by its Committee on Budgets, which we are willing to endorse, and that we shall endeavour to reach agreement on it in the conciliation procedure with the Council.

But that means that the Council must meet Parliament halfway. We do not like the way the Council has gone on making announcements about appropriations which it then deletes again on the other side in the budget. To give just one example: the Foreign Ministers of the Ten have promised to increase aid for Central America from 100 to 120 million ECU. A few days later the Finance Ministers decided to cut the 100 million ECU by 25%. How can the Community keep its credibility in the international arena if this sort of thing goes on?

Secondly, we find it hard to tolerate the Council continuing with its old practice of making accounting cuts in the draft budget in areas where the Commission has already entered into firm commitments, which it must honour, on the basis of payment authorizations. We are familiar with the old game the Council has been playing with Parliament in order to reduce our margin for manoeuvre by making available only a part of the appropriations required under the Treaty and assuming that Parliament will add the remaining amount from its own margin. That is a procedure we might have accepted or tolerated in times when the budget left enough margin for play; but now it is an intolerable burden. It is not for us to ensure that the Council submits a draft budget in which it does not simply rely on parliament to satisfy Treaty obligations it has not satisfied. May I also make a comment about Parliament's margin for play in the case of what is called compulsory and non-compulsory expenditure. In this House — and I think in the Council too — no one denies that the payments to the United Kingdom come under non-compulsory expenditure and must therefore naturally also be included in any calculation of Parliament's margin.

There is a third point I want to make. The Community is in great financial trouble and everyone is trying to

**Klepsch**

work out ways of economizing, which means the Community can no longer give away presents to the national administrations. We pay a 10% premium for the valuable administrative work carried out by the national administrations in the matter of levies and duties, even though the Court of Auditors and others have worked out that the actual services required would be well rewarded with 4%; so we cannot understand how people who talk about saving can then expect to divert the corresponding amount from the Community budget into their own pockets.

My group is prepared to endorse the jointly drawn up proposal of the Committee on Budgets and we are determined to fight with the Council to obtain a budget for the Community, as is our duty towards the citizens of our Community. And I want to point out here that we will not permit any restriction of Parliament's rights. If the Council and its various Councils, which never reach agreement, need a system to coordinate them and call this a system to limit expenditure, we would regard that as progress. It really is dreadful that the different Councils take different decisions. But if the Council's intention is to curtail Parliament's rights, we shall take all possible steps to prevent that.

My group endorses the proposals of the Committee on Budgets submitted to this House and can only say that the Council has produced a bad piece of homework and that we hope we have corrected it enough for the result to be tolerable for the Community.

*(Applause)*

**Mr Fitzgerald (RDE).** — Mr President, in presenting us with this draft budget for 1985, the Council of Ministers is, in my view, treating this Assembly with contempt. By their own admission the proposed budget is unlikely to meet the Community's requirements in the coming year and will more than likely necessitate the introduction of yet another supplementary budget next autumn. I think I do not have to spell out to this Assembly how this would be received by any Member State if its government were to approach its budgetary situation in that manner. I feel this document owes more to the current climate of monetarism and fiscal rectitude that is so prevalent in many Member States than it does to a desire to seriously tackle the Community's future financial requirements. And there are many; time does not permit me to mention all of them, so let me refer to a few.

As Members elected, representing the electorate of ten Member States in this Community, I believe that we have an obligation to remind the Council of their deficiencies and of their retreat on so many occasions. When we realize that the unemployed figure is now 12.3 million, remember it was 2.5 million in 1973. Is that progress? What does this budget do to give any hope to this huge number of people, 5 million or so of whom we are told are under 25? And to our shame we

do not know how many of that number are longterm unemployed.

I believe, Mr President, that we are neglecting and ignoring this major problem that can have far-reaching repercussions for this Community.

Might I refer briefly to the common agricultural policy, the one true Community policy? What joy is there for the many farmers in our Community who are still short of a living income, still short of the income required to maintain a decent standard? What room is there for price increases for that community?

The last point I will have time to mention is the fisheries situation that is going to emerge on the accession of Portugal and, more especially, Spain. We already in my small island country have had the experience of Spanish fleets fishing off our coastal waters and you are aware of the incidents of recent times. I believe that it is an obligation of the Community to make sure that because of the size of that fleet, because of the inadequacy of coastal protection, a little island nation like mine is entitled to financial assistance in order to purchase or build further protection vessels. In my own constituency later this month, in fact on the last day of this month, 450 more workers in the only shipyard that we have in our country will be put on the dole queues, on the unemployment registers. I say that the budget should take account of these 450 people.

**Mr Tomlinson (S).** — Mr President, may I at the outset pay my tribute to Mr Fich as rapporteur for the Committee on Budgets for the great efforts that he put into trying to bridge the many gaps that there were between us. I pay more commendation to the efforts than necessarily to the success of those efforts because, although we went some way with him, I and my colleagues in the United Kingdom British Labour Group did not always agree with him entirely.

But what I want to deal with first of all is part of the area where we do agree. There is a need, as has been expressed regularly by many speakers, for a twelve-month budget, and here my colleagues would join with everybody in saying to the Council that that need is imperative. We have heard a great deal from the Council about budget discipline. I would say to the Council that the first and essential discipline in a budget is that a budget for a year lasts for twelve months, lasts for 365 days, and to start talking about budget discipline without accepting the fundamental concept that the budget must last for a year is something that we consider to be highly irresponsible. Otherwise we are almost chasing the Council round this rather ephemeral concept of budget discipline. If there is a failure to agree to a twelve-month budget then I believe that we in this House are in danger of volunteering ourselves as a hostage while the Council of Ministers hijack many of our most important policies and priorities. Can Members imagine the problems



**Tomlinson**

that a 1985 supplementary and amending budget would produce following on the problems of this year when we consider that we've got own resources, enlargement, rebates to the United Kingdom, rebates to the Federal Republic of Germany and this vague notion of budget discipline all floating around? Can you imagine, with all of those there, the problems we would have in facing a 1985 supplementary and amending budget? So I and my colleagues are not in any way in dispute with this House when we emphasize the need for a twelve-month budget.

Mrs Barbarella was saying yesterday that after the amendments and modifications this was a modest budget. But this is where some of us disagree — we can agree in parts and disagree in others. I would suggest that in many areas this budget is too modest and in many others it is not modest enough. That is why I and many of my friends in the British Labour Group will be persisting with the amendments that we put forward in the Committee on Budgets.

Let us look at what the budget contains. It is not modest enough in relation to what is proposed for agricultural expenditure. I and my colleagues cannot agree to a budget which is structured to maintain the appetite of agriculture, building ever greater surpluses which will cost ever more to store and dispose of while major areas of the world are suffering starvation, malnutrition and deprivation. We cannot agree to a budget which postulates any rise in agricultural expenditure, let alone a rise of 9% outstripping by almost double the rise in own resources. We cannot agree to a budget which recommends a 14% cut in non-obligatory expenditure in cash terms and a further cut of possibly 5 to 6% when inflation is taken into account. We cannot agree to a budget which does not make the provision for the agreed rebates to the United Kingdom and to the Federal Republic. The draft budget as it stands is a denial of everything this Parliament stands for: it denies the priorities that we wish to attach to major items, to the developing countries, to the promotion of productive investment and to the unemployed of Europe. And although many of the modifications and amendments seek to move the draft budget in a better direction, we do not believe it goes far enough in many of the directions that we wish to support. We will be arguing that there needs to be no increase whatsoever in agricultural expenditure. We will be arguing on a continuing basis within this Community that it is a scandal that the only guaranteed growth rate of expenditure is the continuation of the financing of ever increasing agricultural surpluses in a world where we cannot properly dispose of those surpluses, which exist side by side with a major expansion of starvation, and death by starvation, in the world.

We talk a lot in this House about the citizen of Europe. If there is one thing that the citizen of Europe has lifted his voice against in recent months, it is the insanity of our agricultural system, producing surpluses and not being able to respond to the famine in

the Sahel, in Ethiopia and other parts of the world. So we deny two major planks of this budget philosophy: that which regards uncontrolled excesses in agricultural expenditure as inevitable and, following from that, that which argues that the only way forward is by additional own resources. Unless we stand firm on these two issues, then I believe that the discussion that the Council are currently leading into on budgetary discipline will involve us in problems of enormous magnitude.

Budget discipline for a Parliament can only mean one thing. It can only mean a process in which we as a Parliament set our political priorities, allocate resources to them and ensure that they are adhered to and carried out. Our priorities ought to be to increase the Social Fund, to increase the ERDF, to increase development assistance, to increase other non-obligatory expenditure. Not simultaneously with ever expanding agricultural expenditure but instead of some of that agricultural expenditure. We need a Council that will show budget discipline in agricultural price fixing, not by saying we will limit the increase but by cutting costs so as to bring about greater equilibrium between supply and demand in the agricultural field. That is what we were elected to do and that is what I and my colleagues in the British Labour Group will be seeking to do. This is the purpose that our votes will be seeking to serve.

**Mr Kyrkos (COM).** — (GR) Mr President, in addition to its purely economic side every budget mirrors the way the Community is going. And we must say clearly that the thinking the Council has employed in drafting the budget under debate has been profoundly reactionary — anti-Community thinking, that is. In the midst of the crisis racking Europe and the world, and which is manifested in unemployment, the British miners' strike, the famine in Ethiopia and the major problems posed by the technological revolution, it is not good enough for the Community to respond with retrenchment, financial stringency, rhetoric repeated at one summit conference after another and the squeezing down of an explosive situation under a 1% ceiling. What is needed is a sharp increase in resources. It is not good enough to submit a sawn-off ten-month budget, to ignore Parliament's decisions and recommendations in order to replace the institutional processes provided for in the Treaties with other procedures behind the Community's back. For years the Community has been promising its peoples that on the road to economic integration they would be decisively helped by the structural funds and the inception of new policies on industry, research, technology and transport. Faced with the prospect of enlargement through Spanish and Portuguese membership, the Commission proposed an important innovation, the integrated Mediterranean programmes, while at the same time assurances were given by all quarters that a generous contribution would be made for getting the major projects of the Greek five-year plan off the

**Kyrkos**

ground. And as my colleague, Mr Varfis, has rightly said, this would not only have helped Greece but would have done credit to the great principle of economic convergence.

What has been achieved from all these objectives which are bound up with the very future of the Community? The Council speaks to us today in the language of financial stringency, hands raised as if to say we lack the resources, ignoring the fact that the rich have got richer and that poverty is now putting its mark on Europe. We believe that the Council is trying, as it were, to dress a 25-year old girl — and that is roughly the age of our Community — in her baby clothes because of the reluctance to spend money. Clearly this is impossible, and the responsibility for reversing this course rests with Parliament. We believe that in the name of the peoples of Europe we have it all in our power to insist on the policies we agreed upon being carried through, so that with a new push forward we can give another thrust in the direction of a Community that matches up to the hopes of our peoples.

**Mr Sutra de Germa (S).** — (FR) Mr President, ladies and gentlemen, it would be easier — not necessarily nicer but certainly more striking — to attack by quoting examples and to list all the instances in which the European Community has fallen down on budgetary matters over a number of years now.

Failure after failure, delay after defeat brought us to the Fontainebleau Summit, where we find that 'corrections' are to be made to existing budget imbalances. But we also find two totally contradictory paragraphs, the first of which says that in the final analysis expenditure policy is the essential tool which will solve the problem of budgetary imbalances. So reads the opening sentence of the section headed 'budgetary imbalances' in the final communiqué following the European Council meeting in Fontainebleau. This principle is stated right away, and the Committee on Budgets has taken a clear lead from it by stating very clearly its refusal to countenance distortion in the rates of tax levied on the citizens of Europe. All Europeans should pay VAT at the same rate. This is a fundamental principle, and the necessary adjustments can be made on the expenditure side of the budget.

The solution we have reached in the Budgets Committee, whereby the expenditure item is purely and simply a refund, is still only a makeshift one. But if we really fight for this principle, we may in the end — and this is how we visualize the Community developing — manage to get the compensatory and corrective measures which are necessary and essential when a Member State is disadvantaged by a policy, as for example the United Kingdom is disadvantaged by the common agricultural policy from which it derives no benefit — we may get these measures implemented by drawing on other policies which also entail expendi-

ture and could thus quite naturally be used to offset any disadvantage.

Hard though it is to imagine, this is the situation which has prevailed for many years now. In France, since the time when Mr Giscard d'Estaing was President, it is hard to imagine, for example, that Mrs Thatcher would block an energy policy favourable to her country. Blocking policies which would benefit the United Kingdom and insisting on a *juste retour* as part of a simple budget manoeuvring operation — this illustrates the crazy point which this Community of ours has reached. It is primarily here, I think, that the Committee on Budgets has done a good job, restoring the situation by a huge majority, a virtually unanimous vote. At any rate the UK members present at the time voted unanimously since there were, I believe, 36 in favour, two abstentions and none against. This vote can be said to reflect the broad consensus of opinion in this House, since the Committee on Budgets is fairly widely representative of the groups as a whole.

This being so, I wish to address myself very clearly to the Council and to tell them that if ever they refuse to go along with us here at the first reading, they will bear the blame for throwing Europe into a situation of crisis. Council and Parliament represent the two branches of budgetary authority. Given that Parliament has expressed a virtually unanimous opinion on this subject, unanimous in the case of the UK members, it would be hard to imagine the Council not doing the same, but adhering doggedly to a position of — principle, I was going to say, but rather of rejecting a healthy principle which Parliament has endorsed and which, I would again remind you, has its inspiration in the final communiqué of the European Council meeting held in Fontainebleau on 25 and 26 June 1984, where we find in Chapter 1 'Budgetary imbalance', Section 1, Paragraph 1, the words 'in the final analysis expenditure policy is the essential tool which will solve the problem of budgetary imbalances'. Since Parliament's Committee on Budgets is closer to the spirit of the Fontainebleau meeting of European Heads of State than the Council of Ministers, it is up to the Council to examine its own conscience, to conduct what I would almost call an examination of conscience and an analysis of its own behavior.

Mr President, ladies and gentlemen, I have decided to stick to this one point, which seems to me of prime importance. No doubt the difficulties facing Europe merit lengthy analysis, but all that has been gone over and repeated so often that I prefer to keep to this specific point and maybe leave my remaining speaking time to others of my Group.

**IN THE CHAIR: MR MØLLER***Vice-President*

**Mr Mizzau (PPE).** — (IT) Mr President, ladies and gentlemen, the budget — from any standpoint — is a

**Mizzau**

political act and not an accounting one. If that were not so, what would be the meaning of a Parliament elected by universal suffrage? All that would be needed would be a staff of good officials able to balance their accounts! Now, what is politically significant is the definition of what resources, and how much, can be allocated to the budget; and I would add that it is by the readiness to transfer resources from national budgets to the Community budget that you can measure the will to create a united Europe.

The chairman of the EPP Group, Mr Klepsch, has very rightly said that this 1985 budget has not been drawn up in accordance with the letter and the spirit of the Treaty of Rome. We are talking, therefore, about own resources. But we have to ask ourselves one question first of all: where the budget is concerned, whom has Parliament to deal with? The Commission, which is not represented at this moment? And are the Commissioners then ambassadors, agricultural go-betweens or governors? It is in fact the Council that decides. For this reason I am in favour of a proposal that probably strays into Utopia. It would be lovely if, for one or two days a year, when we are discussing the budget, we had before us, on those benches where power is exercised, the ten Finance Ministers, so that they could hear from Parliament, which is made up of persons who are the direct representatives of the European peoples, what it thinks about the budget and about Europe. In this way, the Council could carry the views of the representatives of the European people to the governments, those who must decide. We say that there are insufficient own resources and that therefore expenditure must be reduced. But where? In agriculture, perhaps, so as to punish the farmers for having improved their productivity? Only yesterday a great French newspaper wrote the following:

All the experts agree that in five years more than 400 000 farmers will have to be put out of business and within two further years 300 000 more. This would mean a historical, social and economic revolution without precedent, because while not so long ago industrialization did offer possibilities of redeployment, the present recession leaves little chance for changes of this kind.

Where are we going to transfer the farmers to? Are we to increase unemployment in this sector, because the other sectors are not prepared to take them? We have to take steps to ensure that this does not happen. Maybe the reverse should happen, seeing that in much of the world the hunger problem could be solved by increasing agricultural production.

The conclusion, Mr President, ladies and gentlemen, seems to me to be unequivocal. Own resources must guarantee — through significant transfers from national budgets to the Community budget — expenditure for action on research, to the advantage of employment in the industrial sector, bringing Europe finally to the same level as the United States and

Japan. The chapters of expenditure on agriculture must then be able to tackle the crisis that we have mentioned. I hope, moreover, that we may have some straighter talking from the Council of Ministers where the budget is concerned.

**Mr Rigo (S).** — *(IT)* Mr President, ladies and gentlemen, the finalization of the 1985 budget, and the vote on it by this European Parliament, come at a key point in the life of the Community. The new legislature, elected by popular suffrage, is but a few months old, and the new Commission will be appointed in a few weeks time. We are at a point, therefore, where the discussion on the 1985 budget can, and must, provide the opportunity for political clarification, which must be our objective.

In particular the decisions taken by the Heads of State and Government at Fontainebleau have to be implemented, after clarification of the contradictions which that agreement contains. In addition to the negative aspects, such as the repayment to the United Kingdom of part of its contributions, and the reduction of those made by West Germany, it was also decided to increase the Community's own resources, raising VAT to 1.4% by 1 January 1986, with the option of a further rise to 1.6% on 1 January 1988.

Other points of great importance in that agreement are the enlargement of the Community to include Spain and Portugal and the implementation of the Community's 'medium-term social plan', the 'People's Europe' — in other words, new Community initiatives that will bring further benefits and, therefore, greater popular support — without forgetting the 'Spaak Committee', which was set up to improve the way the Community's institutions function.

These are not matters of slight importance. In the light of the new initiatives proposed at Fontainebleau, how should the misunderstanding regarding repayments, or the uncertainty as to the date from which the new level for own resources should apply, find a solution other than by a relaunch of the Community institutions and, above all, of their financial autonomy? That is the political standpoint from which we ought to assess this 1985 budget. What the Council has proposed certainly does not help us in this respect. Indeed, the Councils that have followed Fontainebleau have based their policy on cash limits, and today have been able to do no better than present us with a 'part-time' annual budget, which cynically ignores the balance between agricultural and structural expenses, on which the very improvement of internal relations within the Community depends.

In addition, essential measures for the Community's industrial sector are lacking, especially those to help small and medium-sized businesses. If to this we add the inadequacy of financing for the social sector, then we have the Council's answer where the policy to

**Rigo**

promote employment is concerned — especially for young people — which still remains entirely, or very largely so, something on paper only! The funds set aside for research are also inadequate, and that holds back scientific and technological development. The same applies to the cultural and educational sector, as well as regional policy and the policy in relation to transport.

The Committee on Budgets has to some extent corrected these deficiencies. The lever used — and there was no other alternative — was the inclusion in the budget of the advances against own resources, so as to start implementing, from the commencement of the next financial year, the measures agreed at Fontainebleau.

We shall now have to see what the Council will do between the first and second readings. We hope that it will accept our call for real, constructive cooperation with Parliament and will agree to a budgetary discipline that will respect the competences fixed by the Treaty and will get the best out of Community action.

If it does not, then Parliament's reaction will be very firm, even to the point of rejecting the 1985 budget. This solemn call to Member States must lead to a clarification of the lines on which European political initiative is to proceed for the next few years.

**Mr Christodoulou (PPE).** — (GR) Mr President, as has already been stated, the European People's Party will in broad terms support the draft budget formulated by the Committee on Budgets. Nevertheless, I should like to say a few things about the strategy which must be followed, the conditions under which the Commission drew up the preliminary draft budget, and make certain specific comments on particular items of expenditure in the budget.

The 1985 financial year will of necessity be a transitional one. Chiefly so as regards the make-up and implementation of the budget, because the financial difficulties and uncertainty which have built up this year will unavoidably have an adverse effect on the budget. Mr President, the Council has sent us a draft budget which does not exceed the existing level of own resources, based, that is, on the 1% VAT ceiling, at a time when the EAGGF Guarantee Section appropriations suffice to cover payments to our farmers for only ten months. This is in breach of Articles 199 and 203 of the Treaty which stipulate respectively that, firstly an annual budget should be drawn up for each financial year listing all the Community's revenue and expenditure for that year, and that, secondly, the budget should achieve a balance of expenditure against revenue for the financial year commencing 1 January and ending 31 December.

So by structuring the draft budget the way it has, the Council is in breach of these two basic principles. By

underestimating farm expenditure it is automatically reducing Parliament's margin for manoeuvre with regard to the raising of non-compulsory expenditure. It also generates uncertainty by asking us to approve a deficit budget without our knowing how the shortfall for 1985, which is expected to reach 3 billion ECU, is to be made up.

For this reason, Mr President, we must draft a budget covering the whole year's expenditure and avoid spreading doubt in everyone's mind, in particular in the minds of the business world and farmers of the Community. We must call on the Council to spell out as of now what it intends to do about the shortfall in the 1985 budget, whether it intends to do what it did this year, i.e. adopt the down payments solution, or to ask the member countries to make the increase in own resources from value added tax contributions available from 1 October 1985.

Here I should like to say that a decision to make the own resources increase applicable from 1 October 1985 would have the advantage of dissuading the Council from altering, as it did this year, the supplementary budget which will need to be drawn up if the down payments solution is opted for.

Making the increase in own resources available from 1 October 1985 would also have one other important effect. It would allow the Commission to implement the 1985 budget in a normal way, avoiding the false economies, the transfer of items of expenditure to the following year and the delays in freeing credits and commitment appropriations which were characteristic of this year. I should also like to draw the House's attention to another important matter in respect of which there is a danger of the European Parliament's powers over non-compulsory expenditure being eaten away. I refer to the British and West German rebates which the Council is proposing should be made, in line with the Fontainebleau agreement, via a differentiation in the value added tax percentage contribution to the Community budget — through the revenue side, that is. There is no doubt whatsoever that a desire exists at this time in certain member countries, and in the Council more generally, to curtail the powers Parliament has, and indirectly to slow down the rate of non-compulsory expenditure and especially structural fund expenditure. Financial stringency and the Council's intention to institute a quota framework for agricultural appropriations are the latest indications of this desire on the part of the Council, which threatens to lead the Community, whether we like it or not, into stagnation and decline at a time when our competitors, the United States and Japan, are experiencing a significant recovery and when the disparities between the Community's regions are increasing. Mr President, the Community needs a budget reflective of its clear desire for a united, balanced and strong Europe and not a budget which is an exercise in accountancy.

To wind up, Mr President, I want to make three comments.

**Christodoulou**

Firstly, both the Council's draft and the amendments put before the plenary by the Committee on Budgets allow for a marked reduction in the EAGGF Guidance Section commitment appropriations down to 696 million ECU, whereas the Commission wanted a figure of 929 million ECU. This cutback will inevitably put a brake on the agricultural structural programmes in the most backward areas of the Community, in the Mediterranean areas especially.

Secondly, as regards structural expenditure in the broader context, the Council has persisted this year as well with its desire to keep the rate of increase down in line with the rise in real prices. The growth in endowments to the Regional Fund from 1981 to the present time are a noteworthy example of this. We see that the endowment in commitment appropriations for 1981 was 1463 million ECU and that the Council is proposing 2 240 million ECU for 1985, a growth of 53%. During the same period the growth in the budget has been virtually the same at 51%. So where is the doubling of structural expenditure in real terms over a five-year period which the Commission eulogized as a means of bringing about some degree of convergence in the European economies?

My third and last comment, Mr President, concerns the integrated Mediterranean programmes and the activation of Chapter 57 of the budget. The integrated Mediterranean programmes were proposed by the Commission in 1982 as a means of countering the adverse consequences of Spanish and Portuguese accession. I recall that the same measures were taken in 1979 in the Mediterranean package — known as the 'mosaic' package — dealing with the Mezzogiorno and the farming areas of France. The Council should implement the integrated Mediterranean programmes as a matter of urgency because the negotiations on the accession of the prospective new Member States are in their final stage. We therefore urge the Council to activate Article 551 of the budget, which has been unanimously approved by Parliament, as quickly as possible.

**Mrs Boserup (COM).** — (DA) Mr President, ladies and gentlemen, it can scarcely come as a surprise to anyone who has known me over the past five years to hear that I cannot support this draft budget.

I agree with the rapporteur's observation that a budget should cover 12 months. He is right on that point, but that is as far as my agreement goes. If we are preparing a budget which covers 12 months, we should at the same time prepare one in which there is a balance between revenue and expenditure. The Committee on Budgets and the rapporteur cope with that by devising income which they are not sure will be available. They say that the Member States can just pay up without knowing whether the Member States intend to do so, and that is what I call unsecured cheques.

How should a budget which stays within the framework of 1%, which is what we have available, be drawn up? It would be difficult, so the difficulty has not been faced. It implies getting a move on with regulations on agricultural policy which will have the desired budgetary consequences. No one has dared to do any such thing.

I should like to say on behalf of my party that we do indeed dare. That is not because we have anything against public expenditure — we do not. But we demand that such public expenditure should be earmarked for reasonable and socially justified redistribution. If we in this case regard the Member States as units, we must in any case admit that the fact that Denmark has gained handsomely by these agricultural arrangements is not justified. Denmark is not a poor country and does not need contributions from other countries. We must teach our fellow countrymen to live with a different agricultural policy, and we might just as well get a move on with it. It will be a painful readjustment, and the sooner we make a start on it the better we shall come through it. Danish farmers are not so bad that they cannot get used to other conditions, but we need a little time for that and we might just as well get started on it. I shall in any case on my party's behalf support a reorganization of agricultural policy in order to put a stop to the injustice by which Denmark is raking in huge sums from the scheme.

I should like to say, moreover, that the Committee on Budgets has conducted itself as usual. It is attempting to make new policy via the budget, and we shall once again hear all that stuff about cultural policy, which is contrary to what the Danes have accepted and which should not be introduced. I think also that it is a luxury at a time when income is running out.

As I said, no-one will be surprised that I am against this draft budget. I am prepared to accept the consequences of that stand also in my own country on behalf of my party.

**Mr d'Ormesson (DR).** — (FR) Mr President, we now see the nations of Europe reduced, after centuries of empire-building, to scaling down the Community's rate of achievement and progress on the pretext of budgetary discipline. The Council's policy change comes at a time when the UN is obliged to tell us that thirty-six of the forty-seven countries of black Africa are suffering from famine or food shortage. Despite this, the Council suggests that we restrict the Community's agricultural production. And this at a time when unemployment — twelve million four hundred thousand people, or 11% of the working population — is of grave concern to us and no one knows when or how it can be checked.

There is an aggravating circumstance, in that here and there the spectres of our bygone quarrels rise again and threaten our hopes of a European confederation,

**d'Ormesson**

hopes born of the chaos of our historical conflicts. How could we forget that Charlemagne fixed the boundaries of the Holy Roman Empire over the ruins of the empire of ancient Rome? But in 1525 Charles V beat François I at Pavia after inciting the Duke of Burgundy to new intrigues against France. And it was on the eve of this bloody defeat, when all was to be lost but honour, that François I sent his ring to Suleiman the Turk. This alliance with the infidel sealed the fate of a Christian empire.

In so far as the idea had existed, had resisted so many wars among the nations of Europe, the very concept of a Christian Europe was snuffed out because it had failed to see that France would feel obliged to defend herself against Germany in order to preserve the achievements of Louis XI.

But that war marked the beginning of implacable struggles, with Europe so often plunged into war and emerging changed, right up to France's participation in the USA's War of Independence. From then on the cycle of war-induced change was broken, giving way to a virtually permanent cycle of revolution.

1789 led straight to 1792. France declaring war on Austria, our victory at Valmy, were but the prelude to general war which was swiftly dominated by Napoleon Bonaparte. Admittedly, the First Consul tried in 1802 to consolidate the peace in the new forms which Europe had taken on after ten years of war. But there was England to contend with, and the Emperor's strong conviction that supremacy would only be his if he ruled Europe and Asia. It was thus with some trepidation that he decided to cross the Niemen and carry the war into Russia. Then began the great reversal of events in favour of the cause of which England had been sole champion, as she would be again on the eve of 1940. As a direct result, the nationalist wind which had swept through Europe since the French Revolution was to bear fruit in Germany, encouraging Prussia to reorganize its military forces and work to unite the German states. Thus the peoples of Europe, civilized by Rome, Christianity and — as Paul Valéry would have it — the intellectual discipline of the Greeks, proceeded to slaughter each other for close on five hundred years.

The object of this review of our past conflicts is to reactivate our European aspirations. But peace and economic recovery will come not from the east or elsewhere, but from our own ability to safeguard our Community's achievements and sustain our march towards a confederation of our countries which will make its influence felt in Africa and the Middle East as its political unity is strengthened. And such strengthening is all the more essential to our defence and security in that we all live on both sides of the Rhine, the Channel, the Atlantic, under the same threat of nuclear war which would allow of no tomorrow.

The very idea of a two-tier Europe would reduce our chances of peace. British resolution to defend liberty

and right is a factor for peace which none of us should underestimate. Unemployment, a falling birthrate, widespread poverty — these are the scourges of the Community. And many of us think that there will be no economic upturn unless there is a vigorous policy aimed at raising the birthrate in the countries of the North and developing the rich resources of the South.

There are 271 million Europeans, while Africa already has a population of 475 million. In fifteen years' time — very soon — the Community will only have some 260 million. Ten million fewer, while there will be more than 830 million Africans. In 2025, according to current trends, the wider Community of Twelve will account for only 4% of the world's population. Despite this fall-off in our numbers, some of us think that the Community is an economic power comparable to the USA. How wrong can we be! It is more serious to forget that the USA has beneath its own territory the energy sources and minerals it needs to develop its economy, whilst we are dependent for most of our energy resources on the Middle East and for our minerals on central and southern Africa.

Here we have great agricultural and industrial wealth, and there there are energy sources and minerals which reach us via uncertain sea routes and from countries which are often rendered unstable by the machinations of the Soviets and their allies and by Islamic fanaticism.

But what great hopes we could create if the Member States allowed the Community and Parliament, through a new policy and adequate funding, to respond and to take action on a scale which would alleviate the terrible suffering of some and the mortally dangerous migrations it necessitates for others! However, there is one precondition if more of our wealth is to be transferred to Africa: aid can only be given if the markets are profitable. The problem is to develop the solvency of the countries of Africa. Three conditions must be met: investments and loan service must be guaranteed, not by us but by the recipient countries. This is the only way to create a climate of confidence in which Europeans can take part in the development of these countries' agriculture, trade and industry.

Secondly, there must be organized trade agreements under which the Community is prime supplier of the food requirements of African countries and buys from them at fair prices, thus helping to balance these countries' trade. Thirdly, we must make our development aid conditional on the liberalization of these countries' economies. As we know, Ethiopia and Mozambique are currently plagued by famine, and this is primarily a result of Marxism. This is the true scourge of Africa, and we see its evil influence spreading as far as the OAU — I refer to the OAU's decision yesterday which forced the Kingdom of Morocco to walk out.

Given the times we live in, I think we must have the courage to face up to things and draw irrevocable con-

d'Ormesson

clusions if Marxism is to be stamped out in Africa. All of us love peace and economic revitalization, all of us love liberty, but if there is no happiness without freedom, there is no freedom without courage, and for this reason the Group of the European Right refuses to countenance the Council's budget and will join forces with all the men and women of goodwill in this House to obtain a budget which will enable us to respond to the challenge which awaits Europe at the end of this, the twentieth century.

(Applause)

**Mr Hoff (S).** — (DE) Mr President, the 1985 draft budget which the Council has forwarded to Parliament does not really merit that name. This 10-month budget is another instance of the Council's total senselessness in Community budgetary and financial questions. Those who spoke before me have criticized this botched-up job enough. I do not want to repeat what they said but merely to go into one point again which the Socialist Group regards as especially important.

We have heard quite a lot of criticism of the fact that important chapters, such as the Social Fund, have been given so few funds while the EAGGF Guarantee Section accounts for a disproportionate share of the general budget. For instance, the social budget has been provided with 1 300 million ECU, but the agricultural budget with 18 000 million ECU, and even this will probably not be the final amount. We cannot accept that kind of ratio.

When we recall that the Committee on Budgets rejected the working party's request to increase social appropriations by 168 million ECU and that the compromise proposal to raise them by 72 million was rejected by a majority, and all that was accepted was a request making a further 52 million available, we must say that these funds are not nearly enough to combat unemployment properly, to finance training programmes for young people and to improve the employment situation of women in the European Community.

18 000 million ECU for agriculture, 1 300 million ECU for the Social Fund — with nearly 13 million unemployed in the European Community — that is not acceptable, it is a slap in the face! Honourable Members, I ask you to support my group's compromise proposal to enter another 20 million ECU for the Social Fund during tomorrow's vote.

Now I want to make a few fundamental comments on budget policy. The first relates to the system of own resources. This system was decided by the Council in 1970 and was to take effect in 1975 after a transitional period and replace the existing system of Member States' contributions.

In fact, however, it did not become fully operative until 1979. At that time only 0.43% of the 1% VAT or

net turnover tax available to the Community as one source of revenue among others was used.

Then the rate rose to 0.99% in 1984. For five years Parliament has been pointing out that unless a way is found to limit the agricultural surpluses, the own resources will be inadequate and we will have reached the limits of finacability. The way this whole system has been perverted can be seen from the fact that thousands of millions are being spent just on storing butter, and there is no evidence of any attempts to limit these costs.

Nor can it be the purpose of the common agricultural policy for production to be aimed from the start at intervention and not at the market. That is why we again demand: no increase in own resources until we have agricultural reforms! We do not want to get rid of the common agricultural policy, but we want to eliminate its excrescences. So we must review the system of unlimited guaranteed sales for the future.

What has happened now is that revenue is being overtaken by expenditure, and the Council and Commission have not played a very admirable part in this development. Failure to introduce agricultural reforms, national egoism, inability to take decisions and one failed summit after another are the milestones on that road. Now, and not for the first time, we find ourselves in a fully-fledged crisis, in which the Council and Commission have much to answer for.

The VAT ceiling is to be raised to 1.4% in 1986, but we can work out now that amount will be used up, for the estimated VAT revenue in 1984 was 16 000 million ECU. A further 0.4% is to be added. Since 0.1% corresponds to some 1 500 million ECU, and given the rise in agricultural costs, we can easily work out how long that will last. By the time the rate is increased again in 1986, it will all have been used up already. That is why we make the same urgent appeal again: for a restructuring of the budget and for the introduction at last of agricultural reforms so that the Community's financial house will be in order in future.

**Mr Petronio (DR).** — (IT) Mr President, some days ago an event occurred which I would go so far as to say was of an exceptional nature, and which focused the attention of all the world on Europe and on a form of highly qualified scientific collaboration that is going on in Geneva.

There, at CERN, two exceptional physicists, one of them Italian and the other from Holland, have succeeded in applying Einstein's formula in reverse: that is to say, not using matter to release energy — as in the case of the atomic bomb, or nuclear fusion for peaceful purposes — but using energy to create matter. Beyond the world of the atom, in the sub-nuclear world, they have discovered W and ZO particles, proving thereby that there is always something new to

**Petronio**

be discovered. And, if someone should ask what purpose this serves, we could reply using the words of a British scientist when responding to a government that asked him the same question, 'I don't know now, but I do know that, in 20 or 30 years' time, you will put a tax on it'.

Thanks to the discovery of these elementary particles, which hurtle around at incredible speeds in the proto-synchrotron at Geneva, we have beaten the United States of America in this field: we have beaten the United States' initiative with their Desertron, which is the biggest particle accelerator in the world. The Texan oil barons had hoped that, thanks to a happy partnership between oil, dollars, science and Californian universities, the scientists would have been able to provide them with those neutrinos, or other particles, that would be able to X-ray the earth and find oil without having to undertake costly, dangerous drilling operations.

Well, we in Europe have succeeded in this, not as a European Community but through the joint efforts of the various States that are taking part in this project — which is still in its infancy and is projected towards the future — run by CERN in Geneva.

And so let us pause for a moment and consider these events, acknowledging that we have a great capital asset that is available for us to use — our human asset. And let us also recognize that it is useless to worry about looking for oil beneath the Alps and under the Mediterranean, when the greater potential of our human asset is available — provided, of course, that we strengthen the universities and everything connected with them, and that we help science and technology, and — above all — that we work together to get a real, genuine budget for scientific research in Europe and in our European institutions.

For this reason it gives us pleasure to support the proposal put forward by Professor Ippolito, both in the newspapers and in committee, for the establishment of an *ad hoc* budget for research, for which the funds would be provided proportionally by the various Member States on the basis of their percentage proportion of own resources. It would enable us to escape from the painful situation, in which we Europeans find ourselves, of contributing as Europe only 1.5% of the world total spent on research, whereas, if we add together the amounts spent by the ten Member States individually, the figure is 20%. But for research carried out by the Community as such — research that is done together, in ten languages, with young and old people from ten different age groups — this research represents only 1.5% of the total, compared with 27% for the United States and 17% for Japan.

Together, we could reach a ceiling of 10%, which would enable us to go further in a sphere in which we have already made a start — research on biotechnology, nuclear fusion, fast nuclear convertors — and in

which we have beaten the Americans and others, a sphere in which we have reached the summit and are heading for scientific victory. And that, naturally, means that a great effort must be made, in that sector, to set up an *ad hoc* budget for scientific research.

**Mr Ulburghs (NI).** — (NL) Mr President, my Greek colleague compared Europe to a poor, badly dressed woman. I see Europe as a sick woman, close to death's door.

The budget reveals the true extent of the disease. Europe needs new prospects, translated into new human priorities in the budget. This is a political problem. I do not want to go into detail: that is for the technocrats, and there are enough of them in the European palaces of our three capitals. I will confine myself to the broad lines which should inspire a healthy budget, and I will refer in this context to what originally inspired the great political families present here.

Firstly, where is the money to come from? We can save money by reducing agricultural expenditure. Not that I have anything against farmers — I am myself a farmer's son — but I find that the enormous sums now being spent on agriculture are not being used in anything like an efficient manner and mainly benefit large-scale agro-business. As a result, thousands of small farmers in Europe are being pushed out of agriculture into unemployment. This is inefficient, because agro-business is destroying the environment in Europe with its intensive monocultures and its use of pesticides. Thirdly, our agricultural policy is causing so much disruption in the Third World that these countries are exporting agricultural products like soya, coffee and cocoa to Europe while their own people are dying of starvation, and we sit here with surpluses like our heavily subsidized butter and powdered milk mountains. And we continue with our mad arms policy. This is an area in which savings can, of course, be made and then spent on the social priorities which I shall now list.

This brings me to my second point: how can we spend the money? Firstly, much more money should go to the Social Fund, to be spent on unemployed young people in Europe, for example. Secondly, much more money should be spent to develop backward areas. I know one of these areas — Limburg, where I come from in Belgium — where 33% of the people are unemployed. Thirdly, much more should be spent on the Fourth World in Europe: self-help, employment, cooperative and social housing projects. Aid to the Third World, with the emphasis on countries which want to become more self-sufficient and have social justice as one of their objectives. I have just come back from Nicaragua, Mr President, and what I saw was a country that is trying to build a future in which there is social justice. And finally, assistance for the development of our own energy sources, such as coal, and of



**Ulburghs**

alternative sources of energy, which would, of course, enable us to reduce the role played by nuclear energy.

And to conclude, Mr President, what can we do as a Parliament? I should like to repeat a proposal which I have already made here and which was supported by most of the political families in the House — Socialists, Liberals, Christian-Democrats and the Rainbow Group — and that is that we should refuse the 8% increase in our salaries. I will go even further: why not donate 10% of what we earn to projects in the Third World and the Fourth World? I support proposals which have been made to this effect. I myself have begun by donating my large salary to social projects in my own area, retaining a modest amount for myself, roughly equivalent to what a skilled worker earns.

These are, in my opinion, the broad lines that should inspire our budget. I have no illusions, but if Europe intends to survive and to have a credible image, this is the course we must take.

**Mr Pfennig (PPE).** — (*DE*) Mr President, honourable Members, Commissioner Tugendhat, the Community's minister for the budget, said yesterday that the Community needs a period of peace in budgetary matters. Parliament also endorses this demand for peace. That is why at the first reading we will adopt a budget for 1985 which is in line with the rules of orderly budgeting, especially with the principles of annuality, soundness and transparency. Where expenditure is not covered by the Community's own resources, we want it to be covered by extraordinary revenue in the form of advances from the Member States. The EEC Treaty allows for this — I am referring to Articles 5, 199 and 203 (10) and also to Article 200. If the Council, as the other budgetary authority, does not accept this offer by Parliament for budgetary peace in 1985, we will not have a 1985 budget.

From past experience I fear, however, that the Council neither will nor can accept this offer. Even in the case of the 1984 supplementary budget, the Council could only be persuaded to see sense after the rebates for the United Kingdom and the Federal Republic of Germany had been frozen. And yet the Council seriously advises the Community in 1985 to behave like a lame man who cuts off his hands to direct people's eyes away from his original trouble. Why else is the government of the Member States, i.e. the Council of the Community, proposing a procedure for the 1985 budget for which, if it were applied in the national budget, it would be kicked out at once?

The Council's proposal for a 10-month budget now and a 2-month budget in Autumn 1985 — wrongly described as a budget and a supplementary budget — surely not only violates budgetary principles but is a political declaration that the Community is bankrupt. It not only reflects the dispute as to whether advances

have to be paid when the Community budget is drawn up or additional payments have to be made in the course of the financial year to supplement own resources. Far more it reflects the Ministers' fear to tell their national parliaments quite bluntly what financial resources the European Community really needs. They prefer tolerating untruth in the Community to having to tell the truth at home in their national parliament, and this applies to the governments of all the Member States.

What I feel is this: let us not be diverted now from the actual 1985 budget procedure, the procedure regarding increasing own resources, from the search for greater budgetary discipline. The core of the matter remains the same. Anyone who wants the Community to carry out more political tasks, in environmental protection, in social policy, in aid for substandard regions, in research and development aid, and who also wants two new Member States to join the Community, simply must realise that the Community needs a larger piece of the Member States' revenue cake, even if we do all the saving we can. Budgetary austerity is a good thing, but if austerity means inadequate Community resources, it becomes lethal. I do not think the Community institutions or the Member States are sufficiently aware of this, for so far the Council has still been moving in the wrong direction, undisturbed by the Commission. Agricultural expenditure is to be considerably higher in 1985 than in 1984. The Council is also increasing its own budget by more than 30%, thus giving Parliament the opportunity to be less thrifty in its own budget too; non-agricultural expenditure is being cut by an average 20%; in some structural sectors, such as information and innovation, it is actually being cut by 50%. No appropriations at all have been entered in the budget for the new European tasks decided on in Fontainebleau, because no one is sure whether these should be Community tasks or national tasks.

The future financial constitution of the Community is to enable revenue in the Community budget to be reduced in favour of a larger share of the national revenue of an individual Member State. Rules on budgetary discipline are to slow down the growth of non-agricultural expenditure too.

Mr President, Parliament must not let itself be driven along the wrong road by the Council. We should persevere along our own road, and if the Council does not change its course, we should openly stop it by rejecting the 1985 budget.

**Mr O'Keeffe, President-in-Office of the Council.** — Mr President, I welcome the opportunity to participate in your debate at this point. In a moment I will reply to some of the specific questions which have been raised, but I should like first to deal with a number of general issues.

**O'Keefe**

First, and by far the most important, is a clear tendency which I see developing in what most of the speakers in this debate have said, and on which Vice-President Tugendhat commented. It is a tendency which threatens to take the two branches of the budgetary authority towards a renewed conflict in which, as we have seen too often in the past, nobody is the gainer and the Community is the loser. For me it has been a sadness to hear parliamentarians attack the draft budget with accusations of irregularity, illegality and so on. I have to say, what kind of an impression can we be giving to the European citizens and electors who elect national governments to power just as they elected you?

Speaking in previous part-sessions and also before your Committee on Budgets, I have explained at some length the task which faces the Council as one branch of the budgetary authority and which also faces you, the other, endowed by Treaty with powers and therefore with responsibilities. It is the task of finding the middle ground between the two realities, neither of which can be wished away, which stand in opposition and, indeed, contradiction to each other.

The first reality is the need, as to which there is no disagreement, to ensure the continuing, normal functioning of the Community. So far as budgets are concerned, this means exercising choices in support of ongoing policies or new policies which the Community wishes to apply. The reality within the reality is the preponderant share of agricultural expenditure within total budgetary outlays, but I am sure there is also no disagreement that we must not allow the historic structure of the budget to imperil the development of other policies, especially those which contribute to structural change and the fight against unemployment.

The second reality is that resources simply do not exist in the Community to enable us to support all the desirable policies, programmes, projects and activities which to majorities of us are important and well-intentioned minorities among us should like to back.

I might without disrespect describe your approach to these contradictory realities as the non-budgetary approach. You predicate a certain level of spending and you suggest that the financing can look after itself. In fact, many Members favour a public finance policy of deficits, perhaps without realizing that 'spend now, pay later' is a policy of budgetary deficit, of indebtedness, of borrowing. Advocates of these policies can appeal to one set of realities, the need to maintain the normal functioning of the Community, but in doing so they disregard the other.

The Council has made a genuine effort to find the middle ground. It set out to ensure the continuing, normal functioning of the Community. This meant earmarking the financial means necessary to sustain successfully policies financed by non-compulsory expenditure. In this respect, the recommendations

coming to you from your own Committee on Budgets on, for example, the Regional or Social Funds and support for industrial research show that there is not much at issue between the two branches of the budgetary authority. The continuing, normal functioning of the Community also meant that you should enjoy the full margin of expenditure which the Treaty places within your discretion. This was done. It also meant honouring the Community's obligations towards other countries. This has been largely done, with particular emphasis on the Mediterranean basin. It also meant sustaining the common agricultural policy.

At the same time, Council could not help being confronted with the other reality — the limit of resources. As I have explained in some detail in earlier part-sessions, the Council concluded that in preparing the draft budget it had to remain within the limits of existing legislation relating to own-resources and could not go beyond these limits. It was not able to agree to supplementary financing, but it did enter into a binding obligation to provide additional funds for the 1985 supplementary budget which would bring the CAP provision up to the level asked for by the Commission in its preliminary draft budget.

I put it to you that this is an equitable and balanced solution to the problem which confronts the budgetary authority, and I ask you not to reject it in some fanciful belief that you are thereby correcting a so-called 'fraud'.

Real fraud surely would be to pretend to adopt a budget of expenditure without provision for matching revenue. This is what some voices among you are urging upon this Parliament.

There is one other general point. We are working here in the light of the agreements negotiated at Fontainebleau. These agreements were the culmination of four long years of unremitting negotiations, originally among nine and later among ten Member States. You were in the forefront of those who demanded that the negotiations should be global, and you even added additional elements to the package when the Council and the European Council thought to ease their burden a little by dealing with them separately. Now, however, some among you would seem to wish to undo the overall Fontainebleau Agreement, holding on to some parts which are acceptable and dismissing other which they regard as undersirable. I have, of course, in mind the recommendations made to you regarding what has come to be known as budgetary disequilibria. Here again I fear there is a wilful desire to wish away a number of realities. Ironically, a very large number of the European Parliament have always opposed budgetary correction. The discussion on how to incorporate compensation in the expenditure side of the Community budget had been one of the great battlegrounds of recent years, echoing to the wacry of not so long ago of 'never again'. Now, however, Parliamentarians have made themselves the advocates of

**O'Keeffe**

special measures involving budgetary credits and wish the system to go on for a further period of years.

In view of the unhappy experiences in this area in recent years and as part of an overall negotiation, the European Council agreed on a system for budgetary correction on the receipts side. This is simple, transparent, effective and, in addition, abolishes the need for the long administrative tale of the other system. In budgetary terms the effect is precisely the same, and for this reason it is impossible to understand the parliamentary comment that correction on the receipts side reduces the resources available whereas correction via expenditure does not. It is also impossible to understand the comment that correction on the receipts side transfer from the Commission the entire responsibility for determining the VAT rate in annual budgets. I for one, however, very much hope that the Commission will always have a large say over the revenue side, because it is the institution which has the best insight into revenue estimates. It is my hope that we can avoid endless debate and struggle over this question, when there cannot be much doubt that politically, administratively and in terms of measurable effect the system negotiated through successive European Council meetings up to Fontainebleau is one that will work in the straightforward fashion and without perpetuating negotiation and discord.

Reference has been made to the priority which must be given to the fight against unemployment. This priority the Council accepts. It has shown that it does so by providing in the draft budget virtually the whole of what the Commission asked for in respect of the 1985 Regional and Social Fund — substantial increases on the 1984 figures — by carrying forward support for new technologies — and I am thinking, in particular, of the ESPRIT programme — upon which the Community's industrial and economic future depends and by ensuring that the public finance principles which involve painful financial decisions which prevail in the Member States are also maintained in matters of Community financing and Community expenditure.

It is sometimes said that the scale is different and that the rules applicable to large national budgets are out of place when applied to the Community budget, but there is no law of big numbers and no Community taxpayer or beneficiary of spending could understand why it is good for the State to curb its spending but laudable for the Community to spend more.

Priority has also been demanded for development aid and food aid. Let me recall that as a result of my initiative last September the Council urgently addressed itself to the problem of famine in Africa. Following this an emergency plan was proposed by the Commission involving additional, emergency and food aid totalling 57 million ECU for the current year. Already the Council has been able to show, notably in the Development Council over which I presided last week,

that it can respond to urgent demands and give its full support to Commission initiatives and Parliament's resolutions. I myself go to Ethiopia this week — that is why I must leave you this evening — so that I can examine at first hand how best to maximize the effectiveness of the Community's efforts to alleviate famine in Africa. Let me also assure you that I shall convey with feeling to my colleagues in the Council the urgency of the requests made in this area during this debate.

Mention has been made of budgetary discipline. I am pleased to tell the House that, following the statements which I made in the October part-session and in the meeting of the three Presidents last Friday, it has now been arranged that there should be a dialogue meeting on budgetary discipline on Wednesday of next week.

A number of speakers have accused the Council of established an inadequate draft budget which covers only ten months. The Council has never denied that a budget should cover the whole year but nevertheless felt impelled to establish the 1985 budget before 5 October, despite the fact that the financing of part of budgetary needs for the coming year could not be covered by existing resources. The Council's commitment to fill this gap in 1985 is clearly and unequivocally stated in the declaration which it adopted with the draft budget.

Let me say in conclusion that today's debate has enabled us to identify those areas where Parliament's and the Council's priorities coincide, as well as those areas where the draft budget does not, perhaps, meet Parliament's expectations. Rest assured that I shall faithfully report these areas of potential disagreement to my colleagues when we meet on 29 November for the second reading of the 1985 Draft Budget.

**IN THE CHAIR: MR GRIFFITHS***Vice-President*

**President.** — After the general round we shall continue the debate on the different sections of the budget.

**Section I — Parliament**

**Mr De Gucht (L).** — (NL) Mr President, I should like briefly to explain an amendment tabled by the Liberal and Democratic Group, which calls for a reduction in line 1004, 'Travel and mission expenses for meetings', by 1 417 500 ECU. We have tabled this amendment because it accurately reflects our opinion

**De Gucht**

on this item of the budget and because we also want to be realistic.

There are other amendments, like that tabled by Mr Van Miert, along the same lines, but they propose a larger reduction. We do not think that that is being realistic because far fewer meetings were held in the 1984 financial year: in May there were virtually no committee meetings, and the same is true of June and July. In other words, expenditure is likely to be higher in 1985 because there will be more meetings. If it was decided to freeze this item until the end of 1985, it might immediately be concluded that fewer meetings are planned, and that is not the case. What we want, then, is a realistic estimate of expenses that takes account of the phasing out of the 8% index-linked increase decided by Parliament's Bureau.

Furthermore, this is not an isolated instance of the Liberal and Democratic Group adopting this position. It took a similar view last year. This year we have expressed the opinion in the Bureau that at a time of serious economic recession there are no acceptable grounds for proposing an 8.1% increase in our salaries. Unfortunately, we were almost alone in taking this stand in the Bureau. I note that there are now evidently more people in this Parliament who are beginning to think along these lines.

This is not, then, a chance suggestion, because we really believe that at a time of such serious economic difficulty, when there is again poverty in the European Community, it is totally unacceptable for the Members of Parliament to be given an increase. We want index-linking phased out, and that is why we have tabled this amendment. We shall also ask for the vote to be taken by roll call so that we can see what each Member's position is on this amendment, regardless of nationality or group.

**Section III — Commission***Agriculture and Fisheries*

**Mr Marck (PPE), rapporteur on agriculture.** — (NL) Mr President, the main victims of the budgetary chaos that has been caused by the Council of Ministers are undoubtedly Europe's farmers and market-gardeners. Priority must be given to the establishment of a normal budget for twelve months and to the observance of the regulations which have been approved by the Council itself and therefore by the Member States if elementary criteria of good management and honouring commitments are to be satisfied. The Committee on Agriculture therefore supports the general rapporteur's proposal that an orthodox budget should be submitted to Parliament.

The Committee on Agriculture would, however, like to see the emphasis placed on certain aspects, and in

some ways it goes further than the Committee on Budgets in this respect.

Firstly, the Committee of Agriculture considers it essential for all existing regulations and legislation to be enforced. If the Council of Ministers should have the audacity to make any changes to this rule, it must make its intentions absolutely clear, not obscure them by resorting to budgetary tricks. The common agricultural policy is the only real policy the Community has. Anyone who wants to dismantle it must be ready to take responsibility in public and then preferably keep quiet about further European integration. This is not to say that the present policy is not in need of adjustment, as the Committee on Agriculture has proved by agreeing to production limits in the surplus sectors. Adjustment yes, demolition no.

Secondly, the Committee on Agriculture feels that the possibility of making normal, justified price adjustments must be retained and that purely budgetary arguments must not be used to prevent them. If a policy of limiting production is pursued — and that is what we are doing — it is logical that there should be normal price adjustments up to the limits imposed. Freezing prices as well as restricting production would be a double penalty for hardworking farmers, and particularly the small and medium-sized among them, who have accepted the need for considerable investment, from which the European consumer has also derived substantial benefit and which in many cases has helped to meet the immediate needs of the starving Third World. The Committee on Agriculture therefore supports the amendment that calls for a 500 m ECU increase in appropriations for the 1984-1985 price adjustments and so disagrees with what the Committee on Budgets wants.

Thirdly, the Committee on Agriculture is dumbfounded by the savage cuts in the Guidance Section of the EAGGF. While politicians and government leaders, regardless of the party they belong to, constantly refer to solidarity with the Community's most backward areas, it is the appropriations which are intended to meet their needs that have suffered the severest cuts. The same objection applies to the appropriations for development cooperation with the Third World. The Committee on Agriculture has therefore tabled amendments which call for the commitment appropriations to be raised to a level as near as possible to that originally proposed by the Commission. The same is also true of the implementation of the Mediterranean programmes, where the accession of Spain and Portugal must also be borne in mind.

Fourthly, the Committee on Agriculture is concerned about the development of stocks and calls for urgent measures to reduce them as soon as possible.

Fifthly, the Committee on Agriculture would like to see a dynamic programme of research not only into purely agricultural matters but also into the marketing

**Marck**

of agricultural raw materials for non-consumption purposes, such as energy and industrial uses. This might also make a major contribution to ensuring that farmers earn reasonable incomes without having to produce as much as possible.

Finally, the Committee on Agriculture calls for the continuation of a policy of sound training and involving farmers and market-gardeners through their professional organizations. We therefore support the amendment that proposes a reduction in the expenses of the management committees and a corresponding increase in the appropriations for the advisory committees. It is really disgraceful that, at a time when essential expenditure is being cut, the Council of Ministers should want to burden the Community budget with the travel and subsistence expenses incurred by its own national officials. It is even more irresponsible that it should want to do this by making the participation of representatives of the sectors concerned — production, trade, industry, trade unions and consumers — more difficult.

Subject to these conditions, the Committee on Agriculture is willing to approve the Community budget. If these conditions are not satisfied after the consultations between the two parts of the budgetary authority, the committee will not hesitate to deliver a generally negative opinion. The only common policy cannot be sacrificed to short-sighted, national egoism.

**Mr Ebel (PPE), rapporteur on fisheries.** — (DE) Mr President, ladies and gentlemen, as rapporteur for Title 4 'Common Fisheries and Marine Policy', I must direct the attention of this Chamber to the following situation. The Subcommittee on Fisheries as the committee responsible decided during its discussion of the Commission's and Council's draft budgets, and given the present extremely difficult budget situation of the Community, to submit an opinion to the Committee on Budgets and to this House which more than takes account of the gravity of the situation, as we shall underline once again here. Knowing that this new and fragile Community policy, the common fisheries and marine policy, is now in a phase of intensive development, with the need to sign new fisheries agreements with third countries and the forthcoming accession of Spain and Portugal, which would really call for far greater resources, the rapporteur has carefully examined and analysed each individual budgetary item with the Commission experts concerned and concluded this analysis by evaluating them realistically in relation to expected developments. The outward expression of this endeavour and, if you like, the outcome of the discussions in the Committee on Budgets is the unanimous adoption of this opinion in committee. The Committee on Agriculture, Fisheries and Food can accept the deletions by the Committee on Budgets, since they relate purely to compulsory expenditure in connection with agreements on fishing rights and certain compensatory payments for salmon fishing in the

Baltic. The committee sees this measure as quite simply a matter of budget transparency and honesty.

What we do not accept, however, is the rejection of draft amendments Nos 164 and 165 by the Committee on Budgets. The issue here is not increasing or deleting appropriations, but simply one of accepting justifications which are, indeed, politically very important. For they are the expression of the logical continuation of an independent fisheries policy, which is what was also wanted, demanded and in the end implemented by the previous Parliament. Amendment No 165 and its justification call for the inclusion in the budget of a European fund for fisheries and marine policy and for a clear transfer of responsibilities from Directorate-General VI, Agriculture, to Directorate-General XIV, Fisheries. Amendment No 164 wants to depart from the existing system of assessment or agreement and calls for at least 10% of the resources under Article 301 of the EAGGF Guidance Section to be earmarked for fisheries.

May I thank you warmly for your attention and hope that when you vote on Title 4 you will not fail to endorse my views.

**Mr Woltjer (S).** — (NL) Mr President, ladies and gentlemen, the Socialist Group has constantly appealed in the past for a restriction of surplus production. It is, after all, this surplus production that hangs like a millstone around the farmer's neck.

Since 1979 I have continually referred to the disastrous consequences of the common agricultural policy in its present form. Overinvestment and unprecedented stockpiling, characteristic features of the present agricultural policy, always pave the way to bankruptcy, whatever type of economic activity is involved. Falling prices are then the death-blow that finally leads to bankruptcy. The pressure on farmers' incomes then encourages them to increase production. In short, the present policy has led us into a very dangerous vicious circle.

Early this year the Council of Ministers took a decision — belatedly, it must be said, but it at least took the decision — on surplus production in the dairy sector. Although the quotas were fixed far too high, with the result that supply is still structurally unbalanced, at least something was done.

However, hardly had these Ministers reached their front doors when some of them backed down and, the Federal Republic to the fore, introduced national compensatory measures. The Federal Republic of Germany even went so far as to give its farmers not only compensation for the MCAs but also something extra to compensate for the consequences of these changes in policy at national level. The blunder that had been made at Fontainebleau, Mr President, thus became a fact. It is still a mystery to me how such Member

**Woltjer**

States as France, Italy and even the Netherlands and Denmark, to name but a few, could agree to this. France and Italy were right to abhor the system of monetary compensatory amounts, and everyone was familiar with their views. But the distortion of competition to which they gave rise pales into insignificance beside the additional overcompensation now being provided by the German Government. Last week the Dutch Parliament called for countermeasures. Under the slogan 'What the Germans can do, we can do too', the Dutch parties in the Lower House demanded that more thought be given to the problems raised by Germany's distortion of competition and that national — I repeat: national — counter-measures be taken.

Mr President, I have thus explicitly referred to the danger of renationalization. I ask myself, almost in despair: what about a reaction from all those other countries that have set themselves up in the past as the guardians of the common agricultural policy? And my next question is therefore: are some of them preparing to take the same measures for their farmers in the near future? That, Mr President, would take us out of the frying pan and into the fire. We would then have one national policy after another, and we must condemn such a trend in this and all other sectors.

I therefore ask Members: where are you now that the whole system is in danger of being renationalized? Why are you not criticizing this development, when you have always been ready to accuse others of wanting to destroy the common agricultural policy in the past? The greatest favour we can do agriculture in this case is to show courage and to avert the threat of renationalization, not by reverting to the bankrupt old policy but by doing our utmost to develop a new, forward-looking policy, under which surplus production represents less of a risk to the producer, the common agricultural policy becomes less totalitarian and dirigistic and above all more thought is given to the poorer areas and to the smaller and young farmers than is the case under the present policy.

The introduction of the milk quota is far from being the end of the road, Mr President. The markets in cereals, wine, olive oil, sugar and meat, to name but a few, are also seriously disrupted. The European warehouses are now full, we have milk and honey aplenty, and we are now transferring these surpluses to Switzerland and Austria. That is the situation at present.

By claiming that the present problems, the problems connected with surpluses and the lack of storage space, are cyclical in nature, the Commission is making the old mistake of glossing over the real and deeper problems.

Mr President, we have before us the 1985 budget, a budget that can simply be called a monstrosity. Not only is it a budget that cannot cover expenditure throughout 1985: it also evades the issues. Because what are we now doing about the 1985 prices? This is

a question that has been asked by many Members and, in my opinion, one that is far too simplistic. What is the policy on cereals to be, now that we have had a record harvest? What changes need to be made and can be made to the sugar policy if we are at last to be able to accede to the International Sugar Agreement? How can we use the structural and social policies more effectively, so that something can at last be done for the farmers in areas where help is urgently needed? This budget avoids all such questions.

Mr President, the Commission is clearly not giving a lead. It is not reacting to the need for actual control of the agricultural policy. How, in God's name, can it possibly be satisfied with a budget like this? Why, I wonder, has it accepted, on the one hand, that the Council of Finance Ministers should want to bring the agricultural budget under control and — rightly — not to leave agricultural spending entirely to the Agriculture Ministers and yet, on the other hand, failed to propose any changes to the policy, thus leaving the door open for the renationalization to which I have already referred? I blame the Commission for this failure of a policy. 'Gloss over' and 'renationalization' are unfortunately the terms that immediately spring to mind when we think of the Commission at the moment.

I now come to the fisheries policy, Mr President, where there are major problems at the moment and where control measures, which have rightly been taken, indicate that there are surplus catching capacities and that there is overfishing. But the problems will not be solved simply with threats: structural measures must be taken as a matter of urgency.

A great deal of courage is needed to keep the agricultural policy on an even keel. Only if the surplus production in various sectors is tackled will agriculture again have a future. Realistic quotas must be accompanied by realistic prices, prices which give the farmers a reasonable income, prices which no longer give large farmers unlimited advantages and prices which give backward areas a chance to develop.

This is the Socialist agricultural policy for which we intend to fight. We have therefore tabled a number of amendments, and I hope Members will support them with the same constructive vision, because we can then ensure that the agricultural policy offers fresh hope for the future.

**Mr Dalsass (PPE).** — (DE) Mr President, never have I been so worried about a Community budget as I am about the 1985 budget we are now debating.

The Council submitted a budget to Parliament well aware, as was confirmed earlier, that it is incomplete because the proposed expenditure will last at most 10 months and certainly not for the whole year. It is thereby infringing the most elementary rules for draw-

**Dalsass**

ing up and adopting the budget of a public institution. This has happened simply because the Council cannot decide whether the supplementary revenue required should be provided in the form of lost contributions or of advances on the future increase in own resources. So once again all the more difficult problems are being put off and not solved, which certainly does not make things any easier.

Many other things worry me too. For reasons of time I shall mention only three points. All dairy undertakings were subjected to quotas, although the European Parliament requested that an exception should be made for hill dairy farms. It is wrong to subject those least responsible for the surpluses to this quota system. It means we are making the lives of hill farmers even more difficult, although we are well aware how much we need them as guardians of the landscape and preservers of the areas of recreation which people from the urban centres need so much. It really is regrettable that neither the Commission nor the Council wanted to remedy this situation. I am also rather concerned about the fact that no appropriations were set aside for the forthcoming price debate in March. Agricultural policy becomes impossible if quotas are introduced to restrict production but no appropriate price is then proposed for this reduced quantity. Farm incomes would then fall even further, and it would become increasingly difficult to speak of comparable incomes. Nor should it be forgotten — and I am addressing those who keep attacking agricultural policy — that agricultural prices have never at any point been a spur to inflation but have always had the effect of slowing it down.

I would like to make a third point, which also concerns me, although it has nothing to do with agriculture. The last budget earmarked an appropriation of 100 000 ECU for measures in favour of ethnic and linguistic minorities, on the basis of a resolution of the European Parliament in October 1981. At the Commission's proposal, this amount was to be raised to 200 000/300 000 ECU, which is still a modest figure, only to be immediately cut by the Council. I must say that this is a shortsighted and incomprehensible attitude towards measures designed to preserve the Western cultural heritage. As though that small sum could solve the Community's budget problems!

I can only hope that on this and many other questions the European Parliament will take decisions that point the direction the Commission and the Council should take in the interests of Europe. I hope that the European Parliament will show real signs of doing so tomorrow.

**Mr Provan (ED).** — I do not think that the European budget debate on this vital issue for the future should be clouded by matters that are going to be no more than hollow gestures.

Firstly, however, I must thank our rapporteurs from the Committee on Agriculture, Fisheries and Food, Mr Marck, and Mr Ebel, who looked after the fisheries section, for the work they have done in the committee. They have been a great help to us and I hope that we have come to some decent solutions. There have been many amendments brought forward in that committee and, unfortunately, to the floor of this House that are hollow political gestures. There are many from the group sitting opposite — the British Labour Party in particular — who are actually trying to trim the agricultural budget when, in fact, everybody knows that the regulations that are laid down at the time of the price proposals have got to be met by the Commission, and the Commission are empowered and have to take the production from agriculture at the time that it is produced. And they have got to estimate, within the budgetary limitations that they have, what that expenditure will be. To come along with empty political gestures just proves to me that there are certain Members in this House who are unaware of how Europe works and the quicker they find out the better, because they cannot achieve what they want to achieve by changing the face of agricultural policy through the budget at the present time. We as a House will be sitting here wasting an awful lot of time because of their lack of knowledge.

However, let me address myself to the issues at stake. We have three main issues that we want to see resolved during this budgetary cycle. Firstly, we want to see budgetary discipline imposed so that agriculture and the budget should be tied closer together, and hopefully the solutions that were reached by the Council of Ministers in Brussels yesterday will go some way to tying agriculture and the European budget together. The best way to control expenditure should be through a formula, and let us hope that the formula that has been agreed yesterday will be a workable formula.

I hope that those Members of the Committee on Budgets who are present — and I notice the rapporteur, Mr Fich, and Mr Cot sitting opposite — will pay attention to my next remarks, because there are two issues which I believe are fundamental if we are going to try and do anything for agriculture through the budget.

Firstly, I refer to items of expenditure which are wasteful. If you consider the 50 or 60 million ECU which is spent on olive oil at the present time, which is a minimum figure that could be put down to fraudulent practices or irregularities or whatever you like to concern yourself with in words, it is important that we actually note what is happening in the olive oil sector, because the Commission have now come forward, ladies and gentlemen, for the first time and suggested that the Community should actually pay a Member State for monitoring something that it already has a responsibility to carry out under the Treaty of Rome.

**Provan**

I submit to this House that that is wrong and that the Commission should not propose spending further money to stop fraudulent practices in the olive oil sector by paying a Member State to do it, but that, in fact, the Commission should carry that out themselves. If those people on the Committee on Budgets address themselves to Amendment No 795, which was originally Amendment No 618, they will note that this group is proposing to give the Commission finance to employ a proper inspectorate so that the Commission can carry out, on behalf of every Community citizen, the necessary monitoring procedures, so that the Commission can make certain that the money it is empowered to spend is spent properly and that we get a Commission and a European inspectorate — the same as we have in fisheries — rather than having a Member State looking after some Community finance and perhaps not doing it properly.

Mr President, those are strong words and I think that if we want to see a fair Community in the future we have got to make sure that we deal properly with this sort of issue.

The second one I would like to draw attention to is, in certain sectors of the agricultural budget, the amount that we spend at Community level in relation to the total percentage market output. Tobacco is one instance: the Community spends 82.6% of the total value of tobacco output. Mr President, I think we have got to look at the social consequences and I believe that those social consequences demand a certain assistance to those countries and producers certainly, but maybe not on the market price.

**Mr Pranchère (COM).** — (FR) Mr President, just suppose that a farmer went to his bank for a loan and showed them only an estimate of his budget for the next nine or ten months. He would be asked to go and do his sums more seriously. This is precisely what the Council has done with its budget draft, and there is no dearth of fine minds at the Council ever ready to lampoon the farmers.

By deliberately cutting agricultural expenditure by 1 300 million ECU, a reduction in real terms of nearly 10% compared with 1984, the Council is not only manipulating budgetary procedure in order to keep the budget within the limits of 1% of VAT; it is actually preparing a more sweeping manoeuvre aimed at exerting pressure throughout 1985 on agricultural spending and specifically at keeping it down when the time comes to fix farm prices.

The Committee on Budgets disagreed with the position initially adopted by its rapporteur whereby farm spending was to be financed without increasing resources and outmanoeuvred him by re-entering all the appropriations in the Commission's preliminary draft. I approve of this, especially as the Communist Group played a large part in it by calling for a true

budget spread over twelve months and financed, if necessary, by advances on the own resources due from the Member States. Reinstating these appropriations is a good thing, for it should save farmers from once more being held hostage during the budget proceedings. It should also permit the implementation of existing regulations which constitute so many commitments on the part of the EEC towards its farmers. But in our view this is only a first step, for we cannot reconcile ourselves to the *status quo* as regards the common agricultural policy and EAGGF expenditure.

We need in fact to reveal what the budget figures conceal, i.e. the system of milk quotas, with a total levy on the milk producers of 1 200 million ECU; the perpetuation each year of exemptions from the system of Community preferences, which costs us dear; and the preparations for enlargement of the Community, with the catastrophic consequences this will have for agriculture and the economy in many regions. This is why we cannot accept this budget, in its present form, or the policy it reflects, and we have tabled amendments aimed at making up in the short and medium term for its deficiencies and shortcomings.

Firstly, we note that neither Commission nor Council has earmarked appropriations which will finance a rise in farm prices in the coming year, as if there were no inflation. Our fears are all the greater in that the Commission does not intend to put forward its proposals at the end of January or even February. This is quite intolerable. We do not accept the appointment of new Commissioners as an excuse for this delay. In order that funds are available to finance a satisfactory increase in prices, we ask that a reserve be set up, and we propose a reserve of 6 000 million ECU to be funded by a tax on oils and fats proposed by the Commission and approved by this House.

Our proposals are an opening shot in the battle for farm prices in the 1985/1986 year, but they also aim to ease the short- and medium-term difficulties experienced by our farmers, particularly in stock farming. Extending the intervention period, increasing the suckler beef premium, introducing support for the feeder cattle market would give a sorely needed helping hand to livestock farmers who are the victims of the dramatic consequences of the milk quotas. These short-term measures should be extended and completed in the medium term, but on condition that the machinery of the CAP is revised and made fairer so that it no longer penalizes family farming based on the exploitation of natural resources. We must also state far more forcefully the agricultural function of the EEC and show greater resistance to pressures from the USA which, behind a facade of extreme liberalism, actually applies a policy of extreme protectionism. We shall in the course of other discussions uphold the cause of our farmers.

**Mrs S. Martin (L).** — (FR) Mr President, the fact that the Community's own resources are currently



**Martin**

exhausted does not make it any easier for public opinion to understand Community affairs.

In the agricultural sector, for example, the various Agriculture Ministers of the Member States have repeatedly stated over the past few months that all commitments undertaken for agriculture would be honoured. And so, is it not astonishing to find that the 1985 draft budget forwarded by the Council quite simply forgets to cover the 1 300 million ECU of expenditure in the EAGGF Guarantee Section? There is only a vague promise that financial cover for this amount will be obtained later. This is unacceptable.

Do you really think we can tell our farmers, whether French, Italian or Dutch, 'Yes, we entered into commitments towards you, arising out of our present rules and regulations, but we're terribly sorry — at the moment we have no money left, and we don't want to vote on the matter just now. Come back later.'? In these circumstances we cannot but support the proposals of the Committee on Budgets which are aimed at making this 1985 budget a realistic one, covering all twelve months of the year, not just nine or ten. We shall in particular vote for the proposed amendment which seeks to include in this budget the 1 300 million left aside by the Council. We believe that all the Member States should keep their promises and provide advances on their new own resources payments.

Mr President, a moment ago I spoke of the concern for a realistic budget. Shall we really get one if tomorrow, when we vote on the amendments, we do not make provision for a reserve to cover price increases next March?

In 1984 we have already asked a lot of our farmers and particularly our dairy producers in asking them to cut production, without giving them the compensation over prices which would normally have followed. Furthermore, these measures have led to the problems currently being experienced in the beef and veal market, and many farmers — in particular young farmers and those whom we have encouraged to invest using assistance from the Community — are now close to going under. For this reason alone it would be more than reprehensible not to provide in this budget for the reserves to cover increases in farm prices for the coming farming year. And we shall support the amendments which seek to enter a reserve of 500 million ECU in the EAGGF Guarantee Section.

I have already had occasion to say this many times: whilst the agricultural policy needs to be adjusted, budgets are not the way to do it. It is too easy to say that cuts must be made in agricultural expenditure, taking no account of the consequences which that entails! In fact everything is proceeding today as if the Council were purely and simply unveiling the only integrated European policy we have, and there does not seem to be much of a reaction to this.

Mr President, I will state clearly that we do not accept this attitude. We are too aware, too concerned for the future of Europe to fall in with this budget.

**Mr McSharry (RDE).** — Mr President, in the Treaties we read in Article 203 that the financial year shall run from 1 January to 31 December. From the outset, Mr President, I condemn the Council's draft budget. It is disgraceful financial planning to present an annual budget which only covers, by the Council's own admission, a period of nine to ten months. There is a shortfall in expenditure for agriculture of 1 315 million ECU in the 1985 draft budget as presented by the Council. There is no provision in the proposed draft budget for 1985 to allow for farm price increases in 1985/86. There is not anything like enough for a coherent destocking programme of existing surpluses.

I would like to express my thanks to the Committee on Agriculture, Fisheries and Food, which supported unanimously, with one abstention, an amendment by myself and other Members of the European Democratic Alliance Group to reinstate 1.3 billion ECUs in the EAGGF Guarantee Section, Chapter 29, thereby providing the necessary finance to cover expenditure in the Guarantee Section for a full twelve-month period.

I further express my thanks to the Committee on Budgets which also supported my initiative by a sizeable majority to reinstate the overall amount of the Commission's preliminary draft in Chapter 29 and not, as another amendment by the Communist Group suggested, in the common reserve, Chapter 100.

Lastly, I express my thanks to the rapporteur who has taken on board my amendment by making a slight adjustment to the amount, thereby fully satisfying myself and my group.

However, I am not happy with some aspects of the budget, notably in relation to transparency. The Commission, the Council and the European Parliament's Committee on Budgets are ignoring something that is essential — the truthfulness of this budget, the truth about how money is spent. I refer first of all to some figures. The CAP does not have the adverse effects which are often attributed to it. It is frequently said that agriculture accounts for a very large proportion of Community spending, and that is true. All the more so as there is no other fully integrated common policy in the Community. However, there must be budgetary transparency showing the real facts that cannot be repeated often enough. In 1984 the real cost of the EAGGF Guarantee Section was 42.6% and not the 71% which is the figure constantly used by those who are continually attacking the common agricultural policy.

The general public, I think, should be made aware of these and other facts. Firstly, it must be emphasized

**McSharry**

that the CAP provides considerable receipts for the Community budget, the great majority of which are not taken into account in determining the cost of the CAP. The amount concerned is approximately 2.4 billion ECU and is more than sufficient to cover the entire cost, many times over, of the farm price package each year.

Secondly, expenditure which has been decided upon for political or other reasons and has nothing whatsoever to do with the farmers of Europe is being charged to agricultural spending. I refer specifically to expenditure arising from bilateral and multilateral agreements, and in particular to New Zealand butter. This costs the Community 105 million ECU, whereas the sole beneficiary is the United Kingdom. The ACP sugar costs 500 million ECU, and again one of the main beneficiaries is the UK. I would refer to cereal substitutes, notably manioc, which wreak havoc in the Community grain and milk sectors where the cost is approximately 1 000 million ECU, and to beef import concessions, for in spite of the fact that we are now self-sufficient in beef and have become an exporter to the world market, we are still granting concessions to other countries to export beef to Europe. Other expenditure of the same nature is accounted for by food aid refunds, accession compensatory amounts and finally MCAs, which are one of the main reasons for trade distortions and unfair competition in the agricultural sector of the Community. All these make a grand total of approximately 2 600 million ECUs. Let there be no doubt that all of these unnecessary imports and concessions are undermining Community farming, not to mention the spirit and the letter of the Treaties.

A couple of years ago one of my French colleagues, Mr Fanton, as draftsman of an opinion on behalf of the Committee on Agriculture, succeeded in convincing both the Committee on Budgets and Parliament that all this expenditure should be dissociated from agriculture. The obstacle that particular year was, of course, the Council of Ministers. I do not think you have to look very far to understand the Council's attitude then and now.

The British Government, ably supported by its allies here, has provoked the most serious crisis this Community has known and continues to be the main element in this crisis. We all know Mrs Thatcher's battle cry of 'I want my money back'. Well, she has got it. She has got it back more than twice. The UK refund is calculated on total agricultural spending. However, if you take out of agriculture all the expenditure I have mentioned, then the truth of the matter is that the UK rebate should be calculated on a basis of approximately 43%, not 71% as is currently being done.

I am appalled by this Parliament's refusal — and the refusal of the Committee on Budgets in particular — to respect Community preference, as illustrated by their refusal to increase the Community's financial

resources. They reject a tax on oils and fats, even though the Commission itself recently suggested a tax. They reject any interference with imports of corn gluten feed from the United States. They reduce funds proposed for agricultural structural programmes, namely, farm modernization, hill farming and, in my own country, the West of Ireland packages.

The consequences for the common agricultural policy, if this proposed budget were adopted, would be nothing less than a massacre for the 8 million people employed in agriculture in this Community. The very foundation of Europe would be uprooted. It would pave the way for another triumphal march of nationalism over Europeanism. Indeed, these consequences would extend not only to farming but to 35% of the people, who are outside farming but are dependent on agriculture because they work in the food processing industry. It should be borne in mind that the funds disbursed by the EAGGF Guarantee Section help to sustain the investment capacity of the agricultural sector and thereby assist all the European economic sectors, whether they be upstream sectors such as the farm machinery industry or downstream sectors such as the agrifoodstuffs industry.

The confidence of European farmers has been badly shaken. With all the adverse decisions affecting the CAP which have been taken in recent years and the continuing threat of budgetary discipline hanging over them, the farmers of our Community are no longer in a position to plan ahead. I urge Parliament to adopt all the amendments supported by the Committee on Agriculture, Fisheries and Food, so that this Parliament will make its contribution to the restoration of much-needed confidence to the agricultural community, and, in particular, the amendments tabled by my own group. We must develop an assertive pride in our agricultural heritage in this Community. If we do not, the nationalism of a few will have disastrous effects on the Europe of the future.

In conclusion, I would like to counsel caution in relation to the whole question of surpluses. Whereas it is true to say there are structural surpluses in certain products at this point in time, we will have to be careful for the future. Europe after all is not confined within the boundaries of the ten Member States. Not only are we a major trading partner on the world market, we also have an obligation to the starving millions of the world. How many more tragedies like that of Ethiopia and other regions in Africa do we need to bring this message home? If we continue seriously to undermine the confidence and morale of our farmers, we could very well find ourselves in the years ahead unable to meet these commitments.

Finally, Mr President, I urge this Parliament to support my Amendment 596 which seeks to provide minimal resources for the 1985/86 farm price increases and Amendment 595 which seeks to provide finance for a coherent destocking programme. These two matters

**McSharry**

are essential, firstly to give confidence to the farmers and, secondly, to let the Community at large know that we are serious about tackling this problem of surpluses. I thank the House in anticipation for its support.

**Mr Graefe zu Baringdorf (ARC).** — (DE) Mr President, this common agricultural policy is destroying farming. It spends thousands of millions to pave the way to industrial agricultural production and, above all, to finance and subsidize agricultural industry. The Green-Alternative European Link in the Rainbow Group has tabled draft amendments to this budget, for instance on the skimmed milk problem, for which a total of 2 878 900 000 ECU has been allocated. We want to draw attention to the greatest scandal of the common agricultural policy, a scandal typical of the way in which a policy that pretends to support the farmers and aid the consumer has in reality created a monstrous machine which steers a large part of the resources into the pockets of the agricultural industry.

More and more milk is being skimmed and processed into powder in the spray towers — a process associated with high energy consumption, for which costs of 234 million ECU are set aside in the budget. Once produced, the milk powder then also has to be stored — at a cost, apparently, of 785 900 000 ECU for 1985. A tiny quantity of this skimmed milk goes to food aid. A far greater quantity, however, finds its way back to the farms, to the fattening undertakings, the calf fattening farms where the milk powder is mixed with water again and is fed to the calves, at an estimated cost of 822 million ECU. But it is not only for calves; pig fattening farms also get milk powder back — at a cost of 265 400 000 ECU.

The 1984 supplementary budget mentioned for the first time subsidies for a product of the agricultural industry, the so-called milk substitute, i.e. skimmed milk containing 10% of fat. The 1985 budget also sets aside 383 900 000 ECU for this. What should we think of that?

Hitherto it was cheaper for farmers to feed this milk substitute to calves instead of unskimmed milk, for one litre of milk substitute cost about 25 Pfennigs while one litre of delivered unskimmed milk cost about 65 to 70 Pfennigs. Thanks to the quota system, the farmers now have surplus milk for which they get at most 17 Pfennigs per litre. At present it is or would be more rewarding to feed their own surplus milk to the calves. The Community bureaucracy very quickly offsets this kind of profit loss for the agricultural industry, as I said, by entering 383 900 000 ECU. As we can see, it is not slow but reacts quickly!

There is method in this madness; the method was evolved by the EEC bureaucrats under pressure from the agricultural industry and forced on the farmers against their own interests. If we really want a differ-

ent agricultural policy, we must reduce milk processing, while avoiding any fall in the incomes of small and medium-sized milk cow farmers. So we must raise the price of milk, not on a linear basis but taking account of the degree of rationalization in each case. That means a system of graduated prices to safeguard small and medium farms while barring the way to agricultural industry.

Our aim is to safeguard employment in small and medium farms, to turn to the ecological production of food, based on self-reliance and without exploitation of the Third World, an agriculture against which man, animals, plants and the natural environment need to protection.

**IN THE CHAIR: MR SEEFELD***Vice-President*

**Mr Paisley (NI).** — Mr President, I am very concerned that the 18 million ECU earmarked for the Guarantee Section of the agriculture budget will be insufficient to cover expenditure in 1985. As a result, market support will be covered only up until November 1985. I trust that the Council and Commission will come forward with a supplementary budget next year in good time and avoid causing farmers the uncertainty they suffered in 1984.

I am also concerned that the Commission will have little or no scope to propose farm price increases in 1985. This will be very damaging indeed in Northern Ireland where farm incomes fell by 11% in real terms last year and where quotas on milk production, our largest sector, are having a devastating effect.

I condemn the proposal to reduce the commitment appropriations allocated to the Guidance Section by 5%. The Guidance Section was intended to reduce regional disparities within the EEC and is important for disadvantaged areas like Northern Ireland where over 70% of the land is within the less-favoured areas. The budget also proposes a cut of over 5% for small milk producers. I want to make it clear that it is not the small farmers of Northern Ireland who are responsible for the surpluses. I fully support the Committee on Agriculture when it calls on the Commission in its opinion to recognize the difficulties of milk producers under the quota system and to safeguard the interests of small farmers. In Northern Ireland the dairy sector is a most important sector of an industry which employs 15% of the total workforce, including ancillary workers.

In 1984 Northern Ireland was awarded 65 000 tonnes of milk from the Community reserve under Regulation No 1371/84. This was intended by the Council to be

**Paisley**

extra for Northern Ireland. In fact, the province received only 5.4 million litres. The rest was distributed throughout the regions of the United Kingdom. As a result, many farmers in Northern Ireland will go out of business, pushing up the numbers of unemployed at a time when unemployment there is the worst in any region in the Community — 21.1% — with male unemployment standing at a staggering 26.2%. Beef farmers are also suffering in Northern Ireland as a result. The extra 65 000 tonnes of milk illustrates the serious problem facing Northern Ireland. European funds which are supposed to come to Northern Ireland as additional expenditure are pocketed by the Treasury in London. I am pleased to see the high priority status accorded to Northern Ireland by the Council and Commission. However, money allocated in the budget for programmes in depressed areas like Northern Ireland is of no value unless these programmes mean extra resources helping to create extra jobs.

From January 1973 to December 1983 298.75 million was received by Whitehall for Northern Ireland. Of that amount only 56% — 169 million — was passed on to Northern Ireland. Most glaring is the abuse of the Social Fund which most directly concerns the unemployed. Of a total of 155.72 million only 19.73 million was passed on to Northern Ireland in 11 years. Action is needed on this problem as recommended in the Martin report, which was adopted unanimously by this Parliament in 1981 but to which no overall response was ever forthcoming.

**Mr Eyraud (S).** — (FR) Mr President, ladies and gentlemen, the way in which our budget discussions have unfolded this year suggests that the dice have been loaded right from the start. The Council has decided to present Parliament with a balanced budget. Splendid! It also remains within the limits of own resources. Splendid again. But part of the expenditure for the EAGGF Guarantee Section, to the tune of 1 314 million ECU, is not provided for, and neither is the United Kingdom's budget rebate for 1984, totalling 1 thousand million ECU.

A supplementary budget will thus be necessary, but without wishing to seem pessimistic, this will be very hard to draw up and in present circumstances we do not really see how and from which revenues it can be funded. Hence our fear that not only the Community's farmers but all those associated with farming (agri-foodstuffs industries, crafts, small businesses, services), in short all the rural sector, will bear the brunt. For the position of agriculture in certain regions of the Community at present is catastrophic. Following the halt to milk production as a result of the quota system, the prices for beef and veal are irretrievably falling, due to the arrival on the market of slaughtered dairy cattle carcasses. This necessitates intervention measures which are already proving inadequate.

In some regions, especially the poorest regions, we are also seeing the prices for sheepmeat plunging. This is the case in the *Massif Central* where farmers are really on the point of rebellion after watching prices fall by nearly 20% against the same period last year. Is this not an aberration, when Community production meets barely 80% of the EEC's needs? The guarantee of a fair income in this sector would keep sheep farmers at work in vast disadvantaged areas. This is the object of my proposed Amendment No 608.

I shall not dwell on the other areas of production which are experiencing recurrent hardship, such as pigmeat, or permanent hardship, such as viticulture and tobacco, to name just those. However, whatever form of production they turn to, most farmers can no longer earn a decent living as guaranteed them in the Treaty of Rome.

Mr Ove Fich, the rapporteur, quite rightly stated that the budget is not the right vehicle for changing the common agricultural policy. This prompts me to make a number of comments.

Firstly, it is absolutely essential to revise the common agricultural policy and make it fairer. For me this means that the higher the levels of production, the less the assistance given and the greater the taxes levied.

Secondly, the system of Community preferences must be respected by keeping imports from third countries to a strict minimum, especially imports of products interchangeable with Community products or imports of products already in surplus. Has it not been said that failure to apply the Community preferences cost the equivalent of 30% of the Community's budget in 1982? Amendment No 607, which I have tabled, is along these lines. It provides for the introduction of a tax on vegetable oils and fats which was approved two years ago by Parliament, as a previous speaker reminded us just now, and proposed a short time ago by the Commission.

Thirdly, if we continue to try and change the CAP via a budgetary approach, we shall end up beyond any doubt destroying the only true common policy we have and encouraging the Member States to make more and more use of national aids. Is this really what we want? I should like — true as it is that control of production is incompatible with price freezing — to have this comment also taken into account.

Before concluding I should like to make one remark concerning structural policies, particularly the EAGGF Guidance Section, the appropriations for which have been slashed by the Council. Once again I would draw your attention, ladies and gentlemen, to the importance of my Amendment No 610 on mountain and hill farming areas in which I ask simply for a return to the Commission's proposals which constituted, in my view, the strict acceptable minimum.

**Eyraud**

Whilst our examination of the Council's budget leaves behind a sour taste, I nevertheless take due note of its statement in which it clearly and formally undertakes to meet the Community's budgetary requirements in the final months of 1985. I should, however, have preferred firm details of the kind of supplementary funds needed to honour this undertaking and a clear assurance that it would not be agriculture alone which bore the brunt of any austerity policy.

**Mr Früh (PPE).** — (DE) Mr President, honourable Members, the Council's draft budget really was a shock to us. For it provides that expenditure will be covered only for a specific time, that is, not for the whole year. That is why we welcome the fact that the Committee on Budgets has amended this draft and restored the annuality of the budget, as required also under the EEC Treaty.

This kind of abrupt limit to financing carries great risks for farmers, who depend so much on budgetary planning. We want to prevent a recurrence of the far too prolonged discussions on financing the necessary supplementary budget we have already had this year, which makes us late in submitting the budget. We want to prevent non-compulsory expenditure — as was the case this year — from being curtailed at the cost of compulsory expenditure, in the absence of continuous financing, and agricultural policy again facing the risk, or acquiring the reputation, of smothering other policies.

But I am also thankful that the Committee on Budgets managed to call for financing on the basis of advances, that is, not simply to assume that we can count on savings which are not within the means of agricultural policy. That would be a very uncertain assumption, although it is very tempting to count on savings on repayments because of the rate of the dollar — and who knows how that will go next year!

Of course, even the budget which the Committee on Budgets has now extended to cover the entire year gives us cause for concern. The matter has been touched on by various speakers, but I want to state clearly once more: this budget really allows no margin for the necessary price negotiations we are forced to embark on and which become all the more urgent the more we restrict farmers to specific production quotas. Where extra production is precluded, there should at least be an attempt, as earlier speakers have also said, to adjust the price.

I would also add that greater increases should have been entered in this budget to make it possible to sell agricultural produce and reduce storage costs, both within and outside the Community. It cannot be our aim to impede own production in the developing countries through the common agricultural policy, as many people allege; but in view of the terrible starvation there, it would surely be even more irresponsible to sit on large stocks.

May I now turn to Mr Woltjer, who referred specifically to Germany when discussing the danger of renationalization in agriculture. Mr Woltjer, you know exactly what the situation was in Germany, what it meant for Germany suddenly to have to reduce the exchange equalization, and you also know the income trend in German agriculture. It has now fallen to third place in the Community and there has been great unrest and uncertainty in German agriculture, which had to be relieved and which, as you see, lasted only a short time. That is not a step towards renationalization! And I would warn against it. All these attacks on agricultural policy and its great costs forget that we have an integrated European agricultural policy. There is nothing similar in social policy or anywhere else, and so I ask you to look at this imbalance we keep hearing about in the right way. It is simply not as easy as Mr Graefe zu Baringdorf thinks to solve great problems, like those in the dairy industry.

(Applause)

**Mr Romeos (S).** — (GR) Mr President, I will limit myself to a few comments about the agriculture sector and regional policy. During the debate on the budget certain colleagues, in attempting to support their own positions, have spoken out sharply against expenditure on the EAGGF. This criticism is unjust and also dangerous for the future of agriculture in the Community, because the surplus in certain products is being used to create a level of feeling against agriculture. They forget, however, that the common agricultural policy is the only policy the Community has, and they forget that notwithstanding the improvements in certain sectors the Community still has to import 25% of its food requirements.

The EEC needs a strong agriculture. However, the development of agriculture must be based on a rational utilization of resources to change farming structures so as to obviate surpluses while ensuring that farmers get a good income. This can be done by strengthening the Guidance Section of the EAGGF and by introducing structural measures to reduce surpluses and develop production in areas of shortage which offer a real gain to the Community. For these reasons we ought not to run down the common agricultural policy indiscriminately but should, perhaps, take a rather more strict line on price support through the EAGGF Guarantee Section, while at the same time encouraging the development of the Guidance Section.

The Guidance Section has always been the poor relation of the EAGGF, accounting as it does for less than 5% of total EAGGF spending. Unfortunately, the 1985 budget manifests a clear attempt to impoverish it even further. There is no other way to explain the Council's decision to reduce commitment appropriations by 11.6% as compared with 1984. But the Council has kept even the payment appropriations at last

**Romeos**

year's levels, despite the fact that in the draft preliminary budget the Commission sought an increase of 13.7%, an increase which is needed for the funding of absolutely essential structural programmes in less-favoured areas. These cuts are a source of great grievance to those farmers who stand in greatest need of help in the European agricultural framework.

In Chapter 32 dealing with the less-developed areas, the Council has made cutbacks compared with 1984 to the tune of 15.4% in respect of commitment appropriations and 10.5% in respect of payment appropriations. What credibility can the Community have for the Irish or Greek farmer when, on the one hand, with regulations and directives and promises of help, it encourages him to undertake development works in order to improve productivity, while, on the other hand, via the budget, it cuts the level of funding available to him? In the Committee on Budgets we did, of course, try to increase these sums with amendments put down on behalf of the Socialist Group. We cannot describe the increases approved for the Guidance Section as satisfactory. However, in tomorrow's voting on the amendments Parliament will have the opportunity to improve these proposals.

I would also like to say something about the Mediterranean programmes. The writing-in of 90 million ECU in commitment appropriations by the Committee on Budgets is more a political act on the part of Parliament than an assessment of the real needs. The Mediterranean areas of the Community, chiefly Greece, have pinned great hopes on the Mediterranean programmes, not just as a mechanism for ironing out disparities between North and South but as a means of offsetting the negative effects, for the Mediterranean areas in particular, of Spanish and Portuguese membership. The Commission and Parliament have put a lot into formulating these programmes and the responsibility now rests with the Council. The writing-in by Parliament of 60 million ECU to cover Community participation in Greece's five-year economic and social development plan, with the recommendation that this sum be taken from other areas of the budget, is also a political act.

Winding up, this budget imposes a standstill on the Mediterranean areas and on agriculture and I believe Parliament should oppose it more vigorously.

**Mr Pisoni (PPE).** — *(IT)* Mr President, the budget is inadequate: the Commission says so, and it is admitted by the Council, with their promise of funds for the 1985 supplementary budget.

The inadequacy of the funds available for the present budget, together with the inconsistency between what the Council says and what it actually does — an inconsistency that it is taken for granted will be denounced, though, for all that, the denunciation must still be made — and also the grave dangers inherent in

the inability to provide the Community with sufficient own resources to carry out the policies that it wishes to pursue and has promoted — all of this makes it essential for us to take the greatest possible care in how we use the scant resources available to us.

The efforts so far made to update and rationalize the CAP have been aimed for the most part at keeping down expenditure. Over-production, which is virtually a feature common to all sectors, has made it necessary to limit the guarantee to the main products. No early change is foreseeable in the world market situation that could reverse the trend, nor is a different, better-balanced relationship between production and consumption likely.

It is unfortunately impossible, in any of the Member States, to suggest to the producers in those sectors where there are surpluses — almost all of them — alternative crops that could offer an adequate income whilst maintaining a level of employment that is essential. This is even more important from the standpoint of production and the economy than from the social point of view.

In agriculture, vocational training takes a long time, as does the changeover from one pattern of cultivation to another and from one production process to another. The budget that we are considering shows no effort of imagination, no determination to solve difficulties by proposing alternatives, no positive way round problems. Its sole concern is to save, thereby giving its blessing to, and perpetuating, the status quo and threatening to strengthen those who are already strong, whilst placing both employment and quality produce in serious jeopardy without anything in return.

The present system of quota-oriented limited guarantee may be alright, for a few more years, for large concerns and highly productive areas, but it threatens to put out of business the small man and everyone who works in less-favoured or mountainous regions, without doing anything to ensure a better balance. Unless the measures for the rationalization and re-equilibration of the market are very clearly selective, and unless they are accompanied by adequate steps to help regions and crops that are disadvantaged and have little competitive power, the repercussions will be serious, both for the economy and for production, as well as for the social situation.

The cost to society may be considerably higher than the cost of the CAP today — the abandonment of land that is not really marginal, the further depopulation of hilly and mountainous country, townification and new poverty — without taking into account, even, the loss of valuable skills and declining produce quality.

This in no way means any refusal to make the necessary sacrifices and to restore market equilibrium. It simply means that every process for introducing

**Pisoni**

change must be accompanied by adequate supporting measures, and it also means that you cannot apply the same measures and remedies to different situations. Even though it appears clear to everyone that it is impossible to identify and indicate the lines on which agriculture and the world economy will develop, it is necessary to offer producers — especially the smaller ones, those for whom changing is difficult — a minimum of security as regards their incomes and the continuity, in the medium term, of their enterprises.

The imbalance between Guarantee Section appropriations and those for the Guidance Section remains, to the detriment in real terms of the complementary nature of the two sections. In the case of the former, there is the uncertainty regarding the financing in 1985 of the market support expenditure; and in the case of the latter, there is the total inadequacy of provision for reducing structural disparity within and between the larger regions of the Community, as well as the failure adequately to promote research and technological innovation, coupled with the authorization of national measures which only accentuate the temptation to renationalize that is already in evidence.

In conclusion, may I just say a word about wine. Action is necessary — even structural measures — to bring supply and demand into balance. We cannot go on spending in order to produce, and then spending in order to destroy. It should be remembered, however, that the financial commitment borne by the Community up to now is not one of the heaviest such commitments, if compared with what the sector represents in terms of total income, and in relation to the billions of producers and workers in the associated industries.

In addition to structural action, effective steps should be taken to promote consumption, with benefits to producer and consumer alike. In order to do something concrete about this, I have just tabled a motion for a resolution regarding a Community promotional programme for education and guidance in the consumption of wine. This proposal should meet with the agreement of the other groups. It is one more small step towards a reclassification of expenditure and a policy which, before it sets about destroying and not producing, is concerned to seek every favourable outlet.

**Miss Quin (S).** — My main task, Mr President, is to speak on the fisheries aspect of the budget and the amendments which Socialist members of the fisheries working group have put forward and which the Socialist Group as a whole supports. But, like other speakers, I would like to preface my remarks with a few general comments.

Obviously, the budget gives us an opportunity to express our overall spending priorities, and I fully support those in favour of a radical shift in the pattern of expenditure away from the agricultural guarantee side

and costs of storage, intervention, buying-in, refunds and so on, towards the Guidance Section, which actually helps those who need help, and also towards the non-obligatory sectors — regional, social, economic and industrial. Wearing another hat, I am a member of the Committee on Economic and Monetary Affairs and Industrial Policy and strongly support many of the amendments of that committee to increase spending on the industrial sector, on industrial regeneration, helping to create jobs and also helping specific industries such as machine tools and shipbuilding, where amendments have been put down.

I now turn to the fisheries section of the budget. In the Socialist Group we strongly feel that now that we have set up a fishing policy, this policy needs adequate finance. In particular, there needs to be confidence in the vital role of the inspectorate and this must be properly funded, particularly if gross over-fishing of the kind that we have seen, unfortunately, is to be avoided. We also feel that there needs to be adequate funding of the fishermen's producer organizations, which again have a very important role in supervising and, indeed, policing the policy to which they are subject.

There is also a particular amendment I would like to refer to which I and the Socialist Group have tabled. That is an amendment to create a programme to help fishermen who have been made redundant as a result of reduced fishing opportunities. Unfortunately, many fishermen have been made redundant and many of our fishing ports are in a very bad position as a result. I think particularly of the English deepsea fishing ports such as Hull, Grimsby and Fleetwood and also middle-distance ports such as North Shields. Our amendment seeks to create a programme to help such fishermen and to help them adapt themselves to current circumstances.

In conclusion, our amendments on this sector show concern for those employed in the fishing industry, concern for their future livelihood and concern, above all, for the coastal communities in Europe, which are particularly hard-pressed at the present time.

**Mr Tolman (PPE).** — (NL) A great deal of criticism has been levelled at the 1985 budget, and it can give us little cause for joy. Where the agricultural section is concerned, we must bear two essential points in mind. Firstly, there are no limits to the growth of production, whatever the products. Production can always be increased. Secondly, there are, however, limits to the prices that can be guaranteed and to the possibility of intervening.

Mr President, the debate on the 1985 budget comes at a time of change and adjustment to the common agricultural policy. It is clear that this change will not produce substantial savings in the short term, although it will in the medium and, of course, the long term.

**Tolman**

The milk production quotas approved by a majority of this Parliament are having the desired effect. That nobody can deny. Next year, in my view, no, or hardly any, penalties will be collected because production will have been adjusted. As there will be no revenue from quotas, there will be no additional expenditure. The fact that, partly as a result of the high dollar exchange rate, no or only limited refunds need be paid on exported cereals must also be welcomed.

Mr President, many speakers before me have also commented on the scope for a price policy in the budget. I should also like to say a few words about this. What effect will the negotiations on next year's price have on the budget? I believe that it is impossible, and in fact premature, to give a definitive answer at the moment. We should be very careful about appealing for a freeze on the prices of what are known as surplus products. The acceptance of strict production limits does not in itself justify a price freeze. The trend in the incomes of small farmers and particularly of family farms would come under serious pressure, and we of the Christian-Democratic Group cannot accept that. Temporary income-support measures are quite obviously politically justified in this respect.

A third and last comment, Mr President, regarding the disposal of the large stocks that now exist. The image of a warehouse full Europe must be eliminated without delay. It must also be made absolutely sure that new mountains do not emerge. Rapid action is needed. I will mention two arguments: a) storage costs an enormous amount of money and b) the extensive stocks disrupt normal trade by depressing prices. I am well aware that all these problems cannot be solved within the standard framework of the budget. Special financing facilities will have to be introduced. The new Commission and Parliament must regard this as one of their first priorities.

**Mr Debatisse (PPE).** — (FR) Mr President, the budget laid before us by the Council is not at all tailored to the situation and problems facing farmers, who are sorely hit by the consequences of the quota system or increased costs.

Nor does this budget provide for appropriate measures to assist farmers in difficult areas, particularly hill and mountain areas.

Lastly, as other honourable Members have pointed out, the budget covers only nine or ten months of the year, irrespective of the fact that the supplementary budget for 1984 laid before us was also not enough to cover all existing needs.

For this reason my colleagues and I approve the proposal by the Committee on Budgets and the various amendments made. I am sorry, however, to see that the Committee on Budgets has not adopted the proposals of the Committee on Agriculture, as several hon-

ourable Members have pointed out, which recommended a reserve of 500 000 ECU to cover a suitable increase in farm prices. I would particularly remind you that farming revenue in the various countries of the Community has fallen significantly over the last few years, and especially last year. It is also likely to fall in 1984, partly as a result of restrictions on production and quotas, but also of price freezing, when the reduction in revenue is not due to a reduction in the guarantees of intervention prices for cereals, milk, meat and other products, or to a change in the payment periods given to undertakings selling for intervention.

For all these reasons, a correct revaluation of prices is essential and we must — I shall myself vote for this amendment — set up a reserve to cover this increase of prices.

What the Committee on Budgets has actually done is simply to restore a level of expenditure totalling 19 315 million ECU as already proposed by the committee in its preliminary draft budget for 1985.

This budget, I think, arouses some degree of fear in us at the appearance of the principle of budgetary discipline, at least in its current form. This proposal for budgetary discipline fetters the common agricultural policy and places it in bonds which are incompatible with the practice of agriculture, which is dependent, admittedly, on human endeavour but also on severe and uncertain climatic conditions. It will thus, by introducing the idea of an average into calculation of expenditure over an average of three years, result in an annual reduction of the sums available to support agriculture.

This policy, or rather lack of it, makes its appearance at a time when the consequences of severe climatic conditions in the world show that were it not for surpluses — so much criticized, even in this House — we should not be able to help those men, women and children who are dying of hunger in Ethiopia, the Sahel or other countries of the world. Let us remember that in twenty years' time the population of this earth will have increased by more than 50%.

Given this, it is curious and interesting to read, during the American elections, one of the leading French periodicals — *France-Soir Magazine* — which carried ten photos illustrating the grandeur of America and, in second position amongst these, a huge grain silo. Thus, given the absence of policy and provision for need in the world, one wonders whether the Community should not perhaps *revise* the policy it puts to the professional organizations or at least *rediscuss* the definition of a policy appropriate both to the present and to the future and to world food requirements over the next twenty years.

**Mr Musso (RDE).** — (FR) Mr President, ladies and gentlemen, we have been given a budget. The Council



## Musso

has given us a budget which cuts short and which sells short. Not only does it infringe the Treaties and ignore the powers of Parliament, not only does it slaughter the common agricultural policy; it gives scant attention to certain distant and less-favoured regions which are exposed to natural disasters and cannot counter them for lack of resources.

The fires devastating some of the islands in the Mediterranean, which two days ago were devastating an entire area of Corsica, meant that certain villages had to be evacuated because the planes specially equipped for fire-fighting are based at Marseilles. It took two hours for these planes to arrive before effective fire-fighting could begin.

A budget of this kind, which goes against everything I have described, also threatens the less-favoured regions and their populations, those which have the greatest needs, for there is no generosity in this budget and it is contrary to the very spirit of the Treaties.

## Economic and Monetary Affairs

**Mr Bonaccini (COM)**, *rapporteur on economic and monetary affairs*. — (IT) The Committee on Economic and Monetary Affairs of our Parliament set out from the point of view that it was its political duty to give, first to the Committee on Budgets and then to our Assembly, firm indications for the use of Community resources in accordance with the priorities already identified by Parliament as a body or by the committee itself.

Two fundamental, strategic decisions were accordingly identified: the one in relation to the relaunch of the economy, with a view to improving the employment position, and the other in relation to increased competitiveness.

In order to achieve these two objectives it is necessary to create what has been called the 'European industrial space'. We need this, as we have emphasized on a number of occasions, and this implies the study and improvement of the internal market, with studies and measures to eliminate technical obstacles and any other kind of obstacles to intra-Community trade; a programme of standardization; studies and measures of various kinds for the spread of information and computerized information handling systems; support and incentives for innovative processes; the adoption and spread of high technology; a speeding up of the restructuring processes, and their support, especially in the iron and steel industry, the machine tools sector and the construction industry; support for the small and medium-sized businesses, the year dedicated to which came to an end not many months ago.

Without losing sight of the difficulties under which we have to work as far as revenue is concerned, the Com-

mittee on Economic and Monetary Affairs has tended, in the case of almost all the items concerned, to restore the appropriations that were proposed by the Commission and cancelled or mutilated by the Council, making moderate alterations to these appropriations.

There are, therefore, a few financial changes of a — frankly — modest nature; certainly not made rashly, but such as to mark the commitment, at least in principle, to the economic recovery of Europe and its renewed competitiveness — a competitiveness not dependent only on international commercial events that we must consider to be exceptional and of a transitory nature.

Our most important amendments concern headings from 7 720 to 7 723, which concern aid for investments towards development and employment, as well as for cooperation between firms and other similar activities. These are new items whose future depends on the increase in own resources to be devoted to new policies and on the adoption of a vast, binding aid policy set down definitely and explicitly in the three-year programme contained in the oft-quoted Herman report.

Here, too, the amounts envisaged are more by way of being symbols than calculable amounts, but they are all symbols of Parliament's determination to close the gap between the condemnation of an indefensible economic and social situation and our joint capacity to take the necessary steps effectively and with true intent.

They are, in other words, signs of Parliament's determination to take Community initiatives and adopt new strategies in the industrial field. They constitute the minimum immediate basis for identifying a joint programme with the future Commission in the field of the new policies. They are contributions aimed at stopping, of course, the deterioration in production, but also the deterioration and disaffection with regard to the integration and economic and political construction of Europe, which concerns our people: and these are objectives in regard to which we must maintain our political commitment and stand by our decisions.

Mr President, I shall perhaps be briefer than might have been expected, in view of the five minutes you have allowed me. Although, with its proposals, the Commission has admittedly not sent us any overwhelmingly daring message, the Council makes it clear that it refuses, so far as is in its power, to let the process of integration proceed, and also makes clear to us its determination not to tackle constructively the great issues of an industrial space worthy of the times and the type of society that stems from this.

For this reason the Committee on Economic and Monetary Affairs, with this brief report, is submitting to you a few amendments of a limited, moderate nature, that it hopes you will adopt so as to make

**Bonaccini**

more effective our determination to create a real economic policy for the Community.

**Mrs Van Hemeldonck (S).** — The chairman of the Socialist Group has already indicated what we Socialists see as the priorities in this crisis budget: the fight against unemployment, the defence of the quality of life and continued solidarity — even in times of crisis — with the least privileged in the Community and also in the southern hemisphere. The major issue here, of course, is economic and industrial policy. The question is still whether we can find the political will and the budgetary resources to tackle both the cyclical and the structural causes of the economic crisis.

In general, the Socialist Group supports all the proposals which have been made by the Committee on Economic and Monetary Affairs and Industrial Policy of this Parliament and which Mr Bonaccini mentioned briefly in his statement. Industrial policy is a key factor in economic recovery. This is why we attach so much importance to Chapters 73, 75 and 77 of the budget. Hence our indignation when we noticed that in Chapter 75, for example, the Council has reduced the appropriations for data processing by 13% and the appropriations for industrial programmes by as much as 40% in the case of certain items.

Items 7720, 7721, 7722 and 7723 accurately reflect the European Parliament's political will to make a real contribution to the development of a European industry that offers more employment. We set very great store by what the new Commission does in this respect. We want the new Commission to have the resources for this purpose.

A positive employment policy presupposes that new economic activity, new industrial initiatives, new products and new technologies receive support, needless to say, and also that the viable, traditional sectors in Europe are not sacrificed. Hence the amendment tabled by the Socialist Group, No 181, to Article 774, which calls for the 1.5 m ECU earmarked for industrial redevelopment to be doubled to 3 m ECU.

Similarly, we attach considerable importance to Amendment No 250 to item 7773, which proposes a token entry for the adaptation of the shipbuilding industry to the new markets in the Third World, for example. The shipbuilding sector is in the throes of a very serious crisis. Tens of thousands of highly skilled and highly specialized workers are unemployed in this sector. A colossal tonnage is lying at anchor in Greece and other countries. At the same time, however, the Third World market needs new technology to improve the steerability of small vessels and also new communications systems. Something must be done about this. A change of policy is needed.

Our Amendment No 182 on mechanical engineering is in similar vein. This is another sector in which the

Community, almost alone in this respect, has a long tradition and highly skilled workers, but a lack of initiative is preventing investment in innovation, research into needs, new markets and new manufacturing equipment. Our amendments are designed to keep certain sectors of our traditionally strong industry competitive.

As regards the advanced technologies, my group has always supported the view that the European dimension should be encouraged in this area. It therefore considers budget items 7790, 7791 and 7792 extremely important. In the area of telecommunications there are obvious opportunities for joint action. A European network is needed for, among other things, optical fibres, satellites and data banks at Community level.

The Socialist Group has always actively supported INSIS, CADIA, Euronet/Diane, which are a first step in this direction, and the ESPRIT programme, which will assist scientific research based on transfrontier cooperation in the private sector. We shall continue to support them in the future, and we shall vote for the amendments that call for the introduction of the budget lines needed for this purpose.

Finally, as regards small and medium-sized enterprises, we consider it very important for aid from the funds, the Regional Fund and the Social Fund, to be increased, for these enterprises to have access to the ECSC, to the New Community Instrument and to the facilities created by the European Investment Bank. The Community budget, the 1985 budget, has at last provided some scope for giving these particularly labour-intensive firms a helping hand.

Mr President, to repeat what I have already said: for us Socialists employment is the first priority, and the economic aspects of the budget can only be viewed in terms of the creation of more employment.

*(The sitting was suspended at 1 p.m. and resumed at 3 p.m.)*

**IN THE CHAIR : LADY ELLES***Vice-President***3. Agenda**

**President.** — The enlarged Bureau proposes to include the topical and urgent debates on the agenda for Thursday, 15 November 1984. They will be held from 5.30 p.m. to 7 p.m. It also proposes that the deadline for tabling motions for resolutions be fixed at 5 p.m. this afternoon. The vote on any objections to the list of subjects will be taken tomorrow, as usual, at 3 p.m.,

**President**

and the deadline for tabling amendments to such resolutions is 5 p.m. tomorrow afternoon.

*(Parliament adopted the proposal)*

#### 4. Budget 1985 (continuation)

**Mr I. Friedrich (PPE).** — *(DE)* Ladies and gentlemen, I am glad that we are going to discuss budget problems in this small friendly circle. We have all expressed our dissatisfaction with the Council several times already, and it is indeed an irony of contemporary history that we are supposed to solve virtually all the difficult European problems with a small amount of DM 60 000 million, which comes to even fewer ECU — for that represents only about 2.3% of the gross national product of my country and less than 1% of the European Community's GNP.

But let me discuss one aspect that we all keep talking about in economic and monetary affairs. We are agreed that unemployment has top priority. But when we simply keep saying that unemployment is the main problem, we are neglecting a far more important precondition for creating jobs. What we need is new jobs! Here I must turn to my Socialist colleagues. One main reason why we have no new jobs is that we, and especially the left wing of the House, are continually calling on the State, instead of considering for a moment and calling on private enterprise. Those who demand more and more security from the State will achieve more security for the few, namely, for those who then have the pleasure of getting State benefits, while ending up with more taxes for the many and fewer jobs for everyone. Because private enterprise, especially in the field of small and medium-sized undertakings, was no longer worth it because of the high taxes, the high interest rates, the many rules and the protective measures that were often introduced but which, however well-meant, have a negative effect, small private businesses no longer proved profitable, and that is why millions of jobs that could have existed have not been created.

One thing is typical of our situation in Europe — I am again addressing what I regard as the right wing: in the United States two-thirds of young people who were asked what sort of job they wanted answered that they wanted to be self-employed. If you asked our students in Germany the same question, I bet you anything 80% of them would answer: I want to be an official with pension rights! That is the situation. And why? Because we have lulled our young people into a sense of security, because we have given the impression that the State is responsible for everything, that the State can do everything. But today we see that the State cannot do everything and we have forgotten to give our small and medium-sized undertakings a chance, for it is in that sector that most new jobs have been created in America.

Many of us are still dreaming of a little corner by the fireside, where nothing happens, which is safe from the slightest wind of world competition, where we are sheltered and can enjoy our little domestic pleasures. But these little pleasures no longer exist. So I welcome the reversal of economic policy in France, for instance. Three years ago I spoke here and attacked our French Socialist colleagues. Then someone — I remember who it was — kept shouting: Victory, victory! because they had won. At the time I said they would regret what they had started. The time has now come.

Unfortunately a realistic economic policy is not a popular policy, but only a realistic economic policy has a chance of settling our difficulties. So I say: create new jobs, not by more State action, however, but by more private enterprise, by giving more opportunities to small and medium-sized undertakings. Significantly, our budget allocates the sum of DM 1 million every year to a trade union institute, but scarcely a third of that amount for the entire volume of aid to small and medium-sized undertakings. This cannot continue; it must be corrected. This does not mean I want to take anything away from the unions; but I do think the small and medium-sized undertakings have the right to get at least as much as the trade unions.

I am coming to an end — Lady Elles, I see you giving me very stern looks. New jobs will not be created by appeals or by more State activity, but only by more private enterprise on the part of small and medium-sized undertakings.

*(Applause)*

**Mr Patterson (ED).** — Madam President, I had intended to begin with a question to the President-in-Office of the Council, whose speech I listened to. The whole future of the budget next year appears to depend on the legal status of the word 'declaration', which he said was going to be the basis on which next year's budget would be financed. I was going to ask him what that meant. I see he is not here. There is a certain rough justice in that, however, because hardly anybody was here to listen to him, which shows what a disgraceful debate this has been in many respects.

My group's spokesman, Lord Douro, called for restraint in his speech. All increases in expenditure, he said, have to be paid for, and that is true. I shall be very restrained, Madam President, at least financially, because the amount of money covered by my committee is extremely small.

Let me make a few general remarks, or at least one general remark. We speak a lot in this Parliament about the need to restructure and to improve the competitiveness of European industry, yet the amounts we devote to it in the budget are hardly commensurate with this ambition. For example, Article 774 of the budget is entitled grandly, 'Restructuring of European

**Patterson**

Industry'. The Commission, in its ambitions, put down in the preliminary draft budget 1.5 million ECU for the restructuring of European industry. The Council cut that back to precisely nothing. Mr Bonaccini of our committee wishes to restore, in Amendment No 121, the 1.5 million ECU. I do not know how far that will go towards restructuring European industry, but it shows, in comparison with other matters, how our rhetoric and our pockets are in disaccord.

However, I do not despise small sums of money. Small sums of money can do an enormous amount of good in this budget. One of the defects that I have often noticed in our budget debates is that we devote enormous amounts of time to debating the great masses — agriculture, even the Regional and Social Funds — and tend to neglect those little sums in both the social and the industrial fields which can do a great deal of good. I want to draw attention to just one or two articles in the time I have.

First of all, Mr Friedrich has already spoken about small and medium-sized enterprises. Over and over again in this Parliament, in resolution after resolution, we say that the future of jobs in Europe depends on building up small and medium-sized enterprises. In this budget we have one or two lines for small and medium-sized enterprises. On Article 7777, Mr Bonaccini's Amendment No 128, for the centre which Mr Friedrich talks about, inscribes a sum of 100 000 ECU. On Article 7778, Amendment No 129 talks about the promotion of small and medium-sized enterprises. Only 200 000 ECU — tiny amounts of money — but if spent, it might have just some effect in promoting those small businesses on which we are all agreed the future of jobs in the European Community depends.

If there is one subject which everyone goes on about almost more than any other, it is the need to promote the internal market in the European Community. I have just come from a lunch with the Kangaroo Group, where there was enormous enthusiasm for removing the barriers to trade. The budget does in fact include some lines to do with the internal market — very little, but very important from the point of view of how it is being treated. I will mention one important one. On Article 7711, Amendment No 110, tabled by Mr Bonaccini, goes under the rather odd description of 'interinstitutional information system'. What is this 'interinstitutional information system'? Well, it consists of two projects: INSIS, which is information between institutions, and CADIA. What is CADIA? I read from the budget: '... the aim of which is to develop new technologies with a view to improving the effectiveness of the Community-wide information system used in the implementation of the customs union and the common agricultural policy.' Is that not what it is all about — a customs union? That is the objective of the Treaties.

In 1984 we had 6 million in the budget; in the preliminary draft budget the Commission inscribed 4 million.

Not to be outdone, the Council cut it to 2 million. All Mr Bonaccini's amendment wishes to do is restore the 6 million, which is vital to the CADIA system and to the development of the internal market.

Finally, we have lines 7790 to 7792, which are concerned with standards and legislation and sums of money, increases of 300 000, 700 000 and 200 000 ECU, that are absolutely trivial. What do they talk about? I quote again from the budget, line 7791: 'Information relating to technical standards and regulations before they are adopted in order to avoid the creation of new technical barriers to trade'.

If Parliament votes against this amendment, it is voting in favour of new technical barriers to trade, which it has always, as far as I can understand, abhorred.

Madam President, I conclude. Let this Parliament, when it comes to vote the money, put its money where its mouth is and vote for these small lines in the budget which can do an enormous amount of good for something we all believe in.

(Applause)

### Energy, Research and Technology

**Mr Adam (S), rapporteur on energy, research and technology.** — Madam President, the Committee on Energy, Research and Technology has looked at the two priorities of Parliament, namely, unemployment and hunger in the world, and related those priorities to our chapters in the budget which are Chapters 70 to 77. We believe that energy, research and technology is a vital element in the struggle against our present economic difficulties and we have set down in our opinion and in the budget amendments the minimum expenditure that we consider necessary to make a real contribution in 1985. Most of our strategic amendments to Chapters 70 to 77 have, in fact, been accepted by the Committee on Budgets and I hope that Parliament will support them tomorrow. There are, however, four amendments which the committee has tabled but which the Committee on Budgets has not accepted and which call for special comment.

The first two are Amendment No 377 to the staff establishment plan and Amendment No 375 to Annex 1: both of these relate to indirect research items. Parliament has previously approved the framework programme and, obviously, we need competent technical staff to carry it out. No extra cost is involved in these amendments. The money is already included in the payment appropriations which the Committee on Budgets has agreed. The appointments are for the duration of the projects, and transfers of existing staff within the Commission have already been taken into account. If we are serious in wanting the Community's biotechnology programme, the programme in ad-

**Adam**

vanced communications and the programme in basic technologies to go ahead, then it is necessary to support Amendment No 377. If we do not support it, it is no use coming back next year and complaining that money in the budget has been underspent.

We also need a certain amount of limited flexibility amongst the research lines in the budget, and Amendment No 375 to Annex 1 sets this figure at 15%. I hope Parliament will support it.

The other two amendments are No 331 to line 7326, which relates to the radiation protection programme, and No 354 to line 7390, which provides for the completion of the outstanding Joint Research Centre programmes. It is the opinion of our committee that both these lines need greater funding than the amount that the Committee on Budgets has allowed, and I would hope that Parliament will accept the small additional sum involved and all the four amendments I have mentioned.

Political problems, however, thrown up by the 1985 budget relate not so much to the figures as to the implementation of the research framework programme and the expansion of Community effort in new technologies. Parliament will be giving an early opinion on the biotechnology proposals and will expect speedy agreements in the Council on that and also on the basic technology and non-nuclear energy research programmes. Parliament looks to the Commission to produce very quickly its proposals on advanced communication systems.

These are the real issues that emerge from the 1985 draft budget. We must not allow a pennypinching financial outlook to wreck the scientific and technical effort being made in the Community. Last week's meeting of the Research Council appears to indicate a more sensible view on the part of the Council. We now have to translate that into the provision of sufficient financial resources and the necessary manpower. In that way the Committee on Energy, Research and Technology believes that we have a real prospect of dealing with the unemployment problem and improving our contribution to the underdeveloped countries of the world.

**Mr Linkohr (S).** — (DE) Madam President, ladies and gentlemen, for my part I support Mr Adam's Draft Amendment No 377 which, in my view, is important to the achievement of several offensive research and industrial programmes that we have often discussed here in the past, such as biotechnology and telecommunications, although I know that the majority of my group has voted against it. This is by way of preliminary and as my personal view, before I come to what my group thinks of the other aspects.

If we had held a debate on the matters with which our committee is concerned four or five years ago, I am

sure energy policy would have been a central theme. Today it is more likely to be research and technology policy, which is not to say that energy policy has lost any of its importance for the future. That is simply the way it is; each era lives on its own myths, and our era has its own too. I want to put a question on this myth — which I fully believe in — that is to say, modern technology. What is the European Community's role in research policy? I do not think it is very easy to answer this question, because as a rule we regard our research policy in the European Community as a copy of the national programmes without considering what should be done at European level separately from national research policy.

So where is the identity of a European research policy? I would like to give a few examples here. In my view it is much more important to define an overall framework for research and scientific policy in the Community than to spend a few units of account here and there. For us this framework must cover environmental and security policy — meaning security in industrial policy — and we must give it priority, that is to say, the European Community must define standards and rules, so that industry can operate and invest in the large market of the European Community.

In this context I would like to draw your attention to another draft amendment which the Committee on Energy, Research and Technology — unanimously as far as I know — has submitted on the environmental policy activities of our Joint Research Centre, notably ISPRA, and in which we have called for a considerable extension of these environmental and security activities. I think that would help give our research policy in the European Community its new identity.

Another concern of mine, which I do not think would cost very much money, is to improve the mobility of researchers in the Community. Recently, we discussed a programme put forward by the Community, which deserves wider recognition and should be extended. Researchers must cooperate beyond the internal European frontiers. We need European research teams. Researchers must travel not only to the United States and Japan but also to our neighbouring countries — sometimes that is far more important.

Thirdly, I think it is important for us to cooperate on large-scale projects in European research policy. Fusion is a good example, but must not remain the only one. We have seen that wherever European researchers have worked rationally together on large-scale projects, they have achieved good results.

I consider the accessibility of information an important Community task. I recently spoke to someone who knows a lot about patents, who told me that in the Federal Republic of Germany as much as DM 15 000 million of the total DM 50 000 million annual research expenditure has to be spent on getting at the informa-

**Linkohr**

tion! So in Germany alone we could save DM 15 000 million if the necessary information was accessible. The fact that today a large part of the world information market is already in the hands of a few — state or private — American undertakings shows that we have some catching up to do in Europe. The information market deserves great attention, and we should support all investment and activities which — via our budget — tend in that direction.

Many people now say it is not enough just to define the framework, we also need direct aid for research. Especially those Community countries which do not perhaps spend so much nationally on research need Community support for their own programmes. This thesis is supported by the fact that more than 80% of research funds in the European Community are spent by only three countries, France, the United Kingdom and Germany, with France and the United Kingdom concentrating a large part of their research activities in the military field.

But if we want to help the smaller countries, then the way to do so is not by centralizing as much as possible in Brussels. I think it would be preferable to transfer a lump sum to them and say, spend the money yourselves. In any case, it is easier to spend the money decentrally than centrally, and then the whole bureaucracy becomes superfluous. What we need above all at European level is the framework for research policy to operate within.

So we should consider a new division of labour between the European and the national level, where many research activities overlap. That is what I wanted to put to you in this budget discussion, because a debate of this kind should not be only a matter of lists of figures but also open new horizons.

Let me close with a few words about some dangers and opportunities. We must try to prevent the regional concentration of industrial activity in the Community by introducing a regional policy aspect into research policy. May I draw attention once again to the restrictive policy of technology exports pursued by the United States, which is a much greater threat to us than some people might think. I would also like to point to the danger of a possible intellectual split in society as a result of the fact that few people can now understand technical developments. So we must 'democratize' technology. Furthermore, may I point out that we many soon find an even wider gap between the industrialized countries and the developing countries.

Research policy in this Community is not just a matter for eggheads but a political task, which this Parliament must acknowledge as such.

**Mr Turner (ED).** — Madam President, it is very interesting that the speeches so far have been entirely

on high technology, although the last speakers and I represent the Committee on Energy, Research and Technology. I entirely agree with that emphasis. That is what we are doing this time. A minute amount of the European budget is spent on high technology. It is a very small amount, but it is just viable. It is absolutely vital that information technology, biotechnology, space and nuclear fusion must be based on a Europe-wide technology and not on ten national technologies.

The flagship of Europe in this sphere at the moment is ESPRIT. We have 123 joint ventures already going where companies have joined together under ESPRIT to work on basic technology in computers. Not only is it valuable from the point of view of the funds — the EEC pays half — but it is equally valuable in that the technical experts in each company get together with those of the companies they are working with in other countries. They get to learn how the latter work, and thus you gradually provide a European-based technology rather than ten national ones. Thirdly, ESPRIT can provide the forum where we can make sure — and this is what Mr Linkohr was worried about — that the research efforts of the ten countries and of the EEC and of all companies in the EEC are dovetailed so that you do not have unnecessary duplication or dangerous gaps.

I believe that companies will go into ESPRIT when they want to get together as a matter of commercial policy. You will get a German company wanting to get together with a French company. It will do so through ESPRIT. Indeed, these companies asked for ESPRIT. They really asked Europe to bring them together. It is quite touching actually that these giant companies wanted a marriage broker to get them together, but that is what has happened. And it is going to be the basis of the future technology of Europe, because their technical men get together, then their administrative men get together too to work out the joint ventures between them, and finally their financial experts get together to work out a financial package to cover a joint venture between, let us say, a French, a German and a British company. I think that will work.

There is another side to ESPRIT, and this is the small companies that are innovative, most particularly in software. At the moment they only take about 15% of ESPRIT. The reason for this is that it is much harder for a small company to attract capital to a basic research project. The capitalist says: Where is the profit, what are you going to make and sell? So, it is very important indeed, if small companies that are extremely innovative, particularly in software, are to come into ESPRIT, that they must have risk capital support.

There is a proposal in this budget, line 757, for 1.5 m ECU — a very small sum — to give risk capital support to European Investment Bank loans to small and medium-sized companies that are innovative in one sense or another. This, of course, must go through. It

**Turner**

was amazing to discover that the Council cut out this 1.5 m on, I repeat, line 757. Tomorrow Parliament will, I hope, put it back. And I hope the Council will not have the effrontery to take it out again when we go into consultation. We must fight for this. It is vital for small companies. Is the Council to say that it only favours large companies? It must also support small ones, and they cannot go into ESPRIT unless they have further support for risk capital which they cannot always raise on the market.

The next thing is biotechnology. We are just starting on that. We have got a minute figure in the budget, a line for study — 50 000 ECU I think it is — and what has the Council done to that? It has cut it out, of course. And we are putting it back in again. I was talking at the weekend to an American expert on biotechnology who told me that he had discussed this with many people in America and that they had said that Europe cannot catch up. Now, are we to take the message that it is not worth bothering because we have not caught up so far? We need not bother, we will just drop it. Is that what the Council is up to? We must start a biotechnology ESPRIT at once.

The next thing is space. The Americans have invited us to go in for the space shuttle scheme. We have refused. It is said that the invitation is not a very good invitation. Does the Council argue that just because the invitation is not too good, we drop the thing altogether and forget about it? They have, of course, cut out the line on space as well — a minute sum again. I think, of 50 000 ECU. Are we not to say instead that we must get into space somehow and that if we got a bad invitation from the Americans, we must now look for a better one and not just give up? We have these opportunities which we must take. What I say to the Council is this: is the Council simply saying that we are already too little and too late so let's not bother, or is it prepared to say that we are late and we are little but we *are* going to do something about it?

**Mr Ippolito (COM).** — *(IT)* Madam President, ladies and gentlemen, we have come once again — as we do every year — to this ritual ceremony of the budget discussion, but this year, even more so than in previous years, the draft budget is a false, inconsistent accounting document, as has already been stressed by other speakers. In other words, we are dealing with a document that was couched badly in the first place by the Commission, without any political breathing space, then cut drastically by the Council in an attempt to bring it within the limits of the anticipated revenue — which is totally inadequate — and then submitted to the approval of Parliament, which has in effect reinstated the items as initially put forward by the Commission, without rising to the occasion and taking an overall strategical view.

In other words, faced with the serious financial shortage, neither the Commission, with its proposals, nor

Parliament, with its heap of amendments — which, it considers, constitute improvements — has got its priorities right. When there are not sufficient funds — and we all know this, even in relation to our family budgets — priorities must be determined, so that the available resources — however meagre they may be — are utilized to best advantage and in accordance with strategic decisions that identify the sectors to be supported, leaving other sectors on one side — albeit with regret — to wait until the situation improves. That was not done by the Commission which instead — probably influenced by the lobbies within — has broken up into infinitely small parts the already miniscule resources for the political structures and distributed them, sometimes reducing the allocations to a few hundred thousand ECU, so as to make it possible for every office and every group of officials in the Commission simply to survive. Nor has Parliament taken a different line, in the work of the Committee on Budgets or the special committees, since no-one has had the courage to make drastic cuts and choose, from the confused mass of expenditure that is envisaged, those two or three lines in the budget that represent a priority activity. I raised this matter of priorities in the committee of which I am a member, but they would not listen to me.

Having said that, Madam President, I intend to say a few brief words on the problems of research and the promotion of industry. As we know, the ten countries of the European Community spend in all 20% of the total world expenditure on scientific research, a percentage that is broadly in line with the expenditures of the United States — 27% — and Japan — 17%. If we look at those figures, Europe is in a position to compete with both of these countries, especially in the field of new information and electronic publishing technology. But, sad to say, of the 20% spent by the ten countries of the Community, the percentage accounted for directly or indirectly by the Community as such is only 1.5%; nor is any increase in this expenditure foreseeable, bearing in mind the present budget situation, which will certainly not improve if own resources do not increase well beyond the 1.4% of VAT agreed for 1986 at Fontainebleau.

The research of the Ten, therefore, has in practice been ground into a thousand small channels, which means there will be programme duplication and overlapping with two men doing the same job, a lack of coordination and, in consequence, a waste of both manpower and money. Obviously, unless this situation is rectified, Europe is in danger of losing the race with the United States and Japan in the field of advanced technology and falling as a result, towards the end of this century, to the ranks of the Third World countries. This is true not only in regard to the sectors referred to above but also applies, for example, to the nuclear sector in the field of fast breeder reactors, where Europe is at least ten years ahead of the United States; and it also applies to other fields of technology and sectors of industry. In this connection I should

**Ippolito**

like to recall what has happened and is taking place in the field of nuclear fusion. This is in fact the only field of research in which Europe is competing on more or less equal terms with the United States, Japan and Russia, because in this field Europe has acted in a single-minded, coordinated manner through the Community, which goes to prove what has already been claimed, namely, that, wherever it works single-mindedly and without internal rivalries, Europe can maintain a high level of competitiveness even with the United States.

Despite the fact that we shall vote in favour of the amendments to those sections of the budget to which we have already referred, and to a few others concerning joint environmental research at the Ispra establishment — where we should like to see the laboratory for handling tritium set up — and support for an industrial incentives policy, this budget, for the reasons that I have barely touched on, Madam President, is not a budget to inspire any confidence whatever that priority political decisions will be taken to enable Europe to be worthy of its own history and its scientific and technological traditions. We shall reserve judgment, therefore, with the comment that it can only be very definitely negative if the Council should decide to reinstate any cuts, however small.

In conclusion, Madam President, I should like to make one last observation: we expect these requirements to be understood by the new Commission, which should put forward a multi-annual strategic programme for our consideration early next year, and they must also be understood by the individual governments, which should, when all is said and done, either have the political courage to relaunch European Union or resign themselves to the unstoppable decline of their respective countries.

**Mr Poniatowski (L), chairman of the Committee on Energy, Research and Technology.** — (FR) Madam President, Mr Adam and Mr Linkohr have described perfectly the facts of the problem. I shall sum them up in two figures. What the committee is asking for is 125 million ECU more in payment appropriations and 185 million more in commitment appropriations. This is very little compared with the size of the overall budget with which we are dealing. But what is really at issue is the future of each of our countries and the future of Europe.

We are now emerging from the industrial age, which has been built on one or two very large industries — steel, automobile manufacture, engineering, etc. We are entering upon a new age in which the cornerstones of the economy are now informatics, robotics, telematics, the so-called communications age, and tomorrow the new driving forces will be biotechnology, biochemistry and biogenetics. And as far as these two driving forces in its economy are concerned, Europe has got off to a very slow start. We have been left

behind by the United States and Japan, and it is not because we spend fewer appropriations or apply less brainpower, not because we have fewer researchers; it is because our researchers do not coordinate their work, because our research, our undertakings, our information technology industries and what little biogenetics and biotechnology we do have already are scattered.

I am worried, Madam President, because with the little it has left us, with these appropriations which are paving the way for the future, the Council is paving the way for a reduction in them. We see it in the case of biotechnology where the small programme, which is designed to have the same effect as the ESPRIT programme will have for information technology, is already being scaled down. The sum earmarked had been 40 million. We are now talking about 20 million. The same applies to research workers: one programme provides for researchers to move around, which is essential. If each country goes on working in its own particular area, we shall remain just Texas or Florida, instead of being the whole USA, and we *can* be the USA!

In conclusion I would ask Parliament to reinstate these appropriations which constitute the future of Europe. Europe's future does not lie in its past, but in industries which are those of its future: telecommunications, space, all the biotechnologies and everything arising out of the communication age. Therein lies our chance for the future. If we do not seize it, Europe, and each of its nations, is doomed one day or other to economic extinction, and economic extinction means the disappearance of its culture and its history.

*(Applause from the right)*

**Mr Staes (ARC).** — (NL) Madam President, ladies and gentlemen, the amendments my group has tabled on energy and technology are based on the following opinions.

We do not believe that the generation of energy based on the nuclear fuel cycle is the solution. You have long been familiar with the reasons for our views. They concern safety aspects, the protection of the environment, particularly against acid rain, the non-proliferation of nuclear weapons, the protection of workers and people living nearby, the desire to prevent the emergence of a society whose every activity has to be controlled and which increasingly comes to resemble a police state owing to the large-scale nature of this form of energy, and the major risk of accidents occurring during the transport of radioactive substances and of their being stolen. Recent incidents have again revealed the risks involved.

My group is convinced that in the longer term alternative sources of energy will be the only solution and that in the shorter term small coal-fired power stations



## Staes

will help us to overcome the constraints while ensuring that, as far as possible, the environment is protected and working conditions are fit for human beings. Furthermore, the trend in cost price surely makes it clear that nuclear energy is now impossibly expensive, although that is not the most important reason as we see it.

On the other hand, Madam President, we take a critical, positive view of technology. In this case, after all, there is no question of the evolution of society being ignored. The main issue is to ensure that technological developments serve mankind and society, rather than various financial and economic forces which are chiefly interested in the material benefits they can provide. The issues here, then, are employment, productivity and working conditions.

We must certainly not overlook the possible military applications, however. We believe it would be completely wrong for technology that is intended to further the development of Europe also to be used in the arms race. In other words, we do not believe that competition with the United States and Japan should form the basis for our position on the role Europe intends to play in technological development. If this world is to find a way out of the spiral of violence, suppression, exploitation and the violation of human rights, it must stop playing the disastrous game of competition, performance and consumption, because it is precisely these motives that have reduced this world and thus Europe, and particularly ourselves, to their present wretched situation.

**Mr Croux (PPE).** — (NL) Madam President, ladies and gentlemen, on behalf of the EPP Group I should like to express my support for what has been said here by Mr Adam, the rapporteur of the Committee on Energy, Research and Technology, and by Mr Poniatowski, the chairman of this committee. Energy, scientific research and technology are tremendously important and should, in my group's view, have the highest priority, a view with which Parliament, I believe, agrees. Above all else, this is a task for Europe. We are constantly saying wherever we are, even outside this Parliament, in the Council, in the Commission and in social and economic circles, that Europe must be constructed in this area and that it is here that Europe can show how beneficial it is. This Parliament likes to point out that, while the discussions now being held on the European budget often concern several thousands of millions, we are now failing to save some 40 000 million a year because we are unable to establish a genuine internal market and that — and this directly concerns the chapter we are now considering — tremendous opportunities for strengthening and revitalizing economic structures and for creating jobs are being missed.

That is the second reason why we want to concentrate on this chapter of the budget: its direct impact on

employment. The figures are known, and they are rising by the day. Figures were announced during the presidential elections in America. We are told, for example, that 21 million new jobs were created in the United States of America from 1970 to 1983. 21 million new jobs! In Japan 4 million have been created since 1974. In the Community jobs have been lost in enormous numbers. We know this, but we are not doing enough about it. We do not therefore even think the amendments that have been tabled on behalf of our committee go far enough, but they must be adopted by the Council because they are tremendously important as a basis for a new, a replacement policy in the list of European priorities. In this respect we make an urgent appeal to the Commission and above all to the Council, of course, and also to the Members of this Parliament to approve these proposals from the Committee on Energy, Research and Technology.

Where energy is concerned, we also have the impression that we are marking time. It seems as if we have still not really learnt our lesson since 1973, the time of the first great energy crisis, and 1979, when the second great crisis occurred. We are under the illusion that, now that prices are rather more flexible, we are no longer dependent on imported energy. This dependence in fact still very much exists, and the goals that everyone was solemnly postulating until recently — like those announced by the Council in 1980 — must be achieved.

The budget we are discussing today in this context is still far too small, as everyone knows. Nationalism is too widespread. We must raise all this to the European level and draw the logical conclusions from this process, which will also entail the transfer of national resources to the Community in an attempt to achieve greater synergism in the area of energy policy.

This uncertainty also has serious social implications. I come from an area which includes Belgium's last coal-mines. They employ 20 000 people. I can assure you that the constant uncertainty, at European as well as national level, often weighs heavy on this area. I will simply recall what the Rogalla report, which was approved in March of this year, says about this. It refers, for example, to the declarations of intent made by the Council on 9 June 1980 regarding the renewal of the energy policy objectives, and Mr Rogalla points out that up to April 1983 the Council had had no more than preliminary discussions and that no decisions had yet been taken.

We shall give our wholehearted support to all the amendments tabled to this chapter because we realize that it concerns a vital aspect of this budget for Europe both socially and economically.

## External Economic Relations

**President.** — I am sorry about the slight confusion in the order of speakers, but we did have Mr Galluzzi

**President**

and Mr Seeler on the list. Mr Galuzzi is not here and Mr Seeler has just walked in, so if Mrs Dury will agree I will give the floor now to Mr Seeler, who will speak on external economic relations, and after him I will call Mrs Dury.

In general terms I think it would be very helpful if people who are going to take part in these kind of debates do take the trouble to be in the Chamber at least 5 or 10 minutes before they are called upon to speak. I know, of course, that my remarks are particularly addressed to those who are not here, so I hope they will read the verbatim report of this part-session to see what I have said.

(Laughter)

**Dame Shelagh Roberts (ED), Chairman of the Committee on External Economic Relations.** — Madam President, if Mr Galluzzi is not here — he is in fact the draftsman of an opinion for the Committee on External Economic Relations — would it be in order for me to stand in for him, as it were, and make just a few comments, or is that not permitted under the Rules?

**President.** — I think, Dame Shelagh, it would not be possible for you to stand in for him because he is specifically appointed as draftsman. If you had wanted to add your name to the debate on this particular item and if the House does not object, you could presumably come in a bit later on, if you do not mind. But you cannot stand in for the draftsman of an opinion at this stage of the proceedings when you have not been appointed by the committee.

**Dame Shelagh Roberts (ED), Chairman of the Committee on External Economic Relations.** — Madam President, I was seeking to press this point in my capacity as chairman of the committee asking to stand in for the draftsman of the opinion. But if that is not permitted under the Rules, then I do not think I want to disrupt the normal order of the debate.

**President.** — Thank you very much. I think we might ask chairmen, though they already have very many tasks, to see that their draftsmen are present in the Chamber when the debates come up. I know that people have enough to do, but it is disappointing when one has a major debate like this that the draftsmen, are not here. I can only make that comment and I am sorry, Dame Shelagh, that I cannot give you the floor on that particular matter.

**Mr Welsh (DE), Chairman of the Committee on Social Affairs and Employment.** — Madam President, simply as a fellow-member of the Chairmen's union, as you might say, is it not the case that the chairman of a

committee may ask for time to speak to the House during a debate on a topic that concerns that committee? Is that not what my colleague Dame Shelagh Roberts has just done? Would it not be possible to put her on the list at the end of the debate on external economic relations so that she can make the point she wishes to?

**President.** — Mr Welsh, I did make that offer to her, but she turned it down. I made it quite clear that she was entitled to request the floor, and I would have gladly given it to her when her turn came, had her name been down. Since I understood that she had declined that offer, I really must now continue with the debate, although I thank Mr Welsh for intervening on her behalf.

**Mr Seeler (S).** — (DE) Madam President, I too would like to make a few comments on the amendments before us, on behalf of the Committee on External Economic Relations.

For many years — actually since 1979 — the Committee on External Economic Relations has been tabling the same amendments to the budget again and again. Each time the Council cuts down the resources further, for instance the funds for improving the access of European exporters to the Japanese market, and each time Parliament has to raise them again during its deliberations.

The same national governments which — shortsightedly in my view — cut the required resources then make various speeches of complaint about the difficulties the Japanese market is creating for European exporters and about the Community's constant high trade deficits *vis-à-vis* Japan. One sometimes gets the impression that the members of the Council and their assistants do not even read what they decide, for otherwise it would be difficult to understand why the same requested appropriations are cut year after year and then have to be restored by Parliament at the committee's request.

Our amendment is aimed purely and simply at promoting trade and economic exchanges with Japan and, for instance, giving young businessmen the chance to learn Japanese, which is an important condition for gaining a better understanding of the Japanese market.

Similarly, every year the Committee on External Economic Relations has to call for more appropriations for the negotiation of the cooperation agreements which the Community has now signed with many countries and groups of countries. Either we as the European Community want this cooperation — and then we also have to invest — or we should refrain from these agreements completely.

The ASEAN states, to give one example, offer a very good future market for European exports. The high

## Seeler

growth rates in that part of the world promise a growth of trade — only then we must also take the corresponding measures, and these measures cost money. We in Europe need these markets to revive our exports and also to combat our unemployment, for more exports means more jobs in our countries.

On the other hand the ASEAN states themselves are keen to intensify their trade with us; for they do not want Japan and the USA to dominate their markets entirely. So investment here is well worth it in the medium term too — and surely the Council can understand that. That is why I cannot understand why these appropriations are cut year after year, while cooperation agreements are being signed with more and more countries and groups of countries at the same time.

I regret that the Commission could not manage to give financial support to the first joint conference between European and ASEAN trade union representatives held early this month in Bangkok. There have been contacts between industry and trade, and these contacts have been encouraged for many years now. And this House has agreed many times to promote trade unions contacts, only to find, when the time came, that no money was available.

One new project is the 'setting up and operation of a European-Latin American institute'. The Council had deleted all the appropriations for that too, although the funds for starting up the project had already been granted in this year's budget. This project was proposed at the joint parliamentary conference in Bogota in 1982; our Parliament discussed it twice. Now the project is about to begin, but no resources are to be made available! Particularly in Latin America, considerable movement and change is occurring in social structures. Many Latin American countries are moving towards democratic systems, but economic difficulties, huge debts and the power of the military and of other groups opposing this trend, which is still very strong throughout the area, impede the process.

There is no plenary session of this House in which we do not discuss the current problems in Latin America! That is why we need that kind of institute to support our activities and to promote their economic development and trade relations with them. If we want to avoid a short-term superficial policy, we need to prepare our political and economic decisions with care. Such an institute could be the way to achieve this, which is why I ask the House to adopt this amendment.

## Social Affairs and Employment

**Mrs Dury (S), rapporteur on social affairs and employment.** — (FR) Madam President, the budget prepared by the European Parliament is based on two priorities.

The first is the fight against world hunger, and the second is the fight against unemployment. The budget I am defending on behalf of the Committee on Social Affairs is, of course, concerned with this second priority. I shall not go over the background again, since we had a debate last time on long-term unemployment and poverty which fully bore out the need for a substantial social affairs budget. I know too that this budget is not big in terms of the problems which face us, but it is a budget of political significance since it attempts to set in train policies devised on a European scale. We know how essential it is to combat unemployment, not on a country by country basis, but by joining forces and by having true Community policies.

The social affairs budget divides into two parts. The first is the Social Fund itself, an important structural fund, and the second is a number of expenditure items which are more modest but none the less significant. As regards the Social Fund, I have the impression at the moment that it is like a child which one has sorely wanted but which, one is forced to realize, has many faults. Although the Fund does not always complete its tasks satisfactorily, I would not like to see the Members of this House withdraw their support from it just because it is not perfect. On the contrary, we need it and have often stressed how essential its operations are, and I should be glad if, in expressing our will as regards the budget, we could also express a political will.

The Social Fund is the main instrument through which the Community can affect the labour market. It is concerned principally with the young but also with the less-favoured regions. When we adopted the new 1984 rules, their scope was broadened to include vocational guidance and placement agency specialists, but also small- and medium-sized undertakings wishing to modernize in line with the new technologies. When we discussed the new rules, we also said that we wanted the Social Fund to account for 10% of the total Community budget.

We have to lower our sights. Whilst the budget reached a peak in 1983, we realize today that, as a proportion of the overall budget, it is decreasing. In the case of payments, the Council's draft actually represents a decrease of 6% against the current year. The rules of the Social Fund also require us to pay 50% of the advances for projects which have been approved. The Council's draft thus makes it impossible to observe this rule which we ourselves adopted.

I believe that the Social Fund is not merely a cash dispenser: it is a fund which stimulates projects, gives ideas and provides support for local initiatives — and oh, how much these are needed!

On behalf of a number of honourable members of the Committee on Social Affairs and Employment I have tabled a compromise amendment. I wish to plead the case for this compromise amendment, because we

**Dury**

must express our political will to respond to a priority which we ourselves have set.

I shall turn now to the other, smaller budget lines.

There are three which are dear to my heart. The first is the fight against poverty. We know that the problem of poverty is not merely a problem of the individual which has no social significance. On the contrary, it is more and more a phenomenon which affects us all. And we know too that the whole problem of poverty is not going to be solved by one budget line. But a Community policy and specific measures to combat poverty may help to ease the problems which exist, for example as regards exclusion factors, and help to create the belief amongst Europeans that Europe does really exist and that we have the will to pursue a social policy.

My second concern is that of migrant workers. We have tabled an amendment, which the Committee on Budgets has approved, asking for an increase in the amounts paid to migrant workers' organizations. We are aware that in the current climate of rising racism and xenophobia it is a good thing for the European Parliament to show itself prepared to act and make overtures to reduce the tensions between communities in Europe.

Lastly, there is our amendment to the effect that the heading 'reduction in working time' should be added to the chapter entitled 'work organization and job enrichment'. This means that we should like the Commission to consider more closely the consequences and feasibility of a reduction in working time, and the data available. At a time when we need to fight against unemployment we think that this fits in with our priorities and is a symbolic act of considerable importance.

*(Applause)*

**Mrs Salisch (S).** — *(DE)* Madam President, honourable Members, I must confess quite openly that I was pretty surprised to hear the general rapporteur for the budget say that the Committee on Budgets did not have to worry so much about the social budget since it had done quite well out of the European Ministers' deliberations. I can only say that is not the case. The Social Fund — as the rapporteur, Mrs Dury, has just said again — is on its last legs, it is hopelessly over-subscribed. How the members of the Committee on Budgets could have reached the conviction that this Social Fund is still comparatively well is a mystery to me.

We should not forget that, like agricultural policy, the Social Fund is a means of acquiring a general European identity. While agricultural policy is perhaps more of a stumbling block here, the European Social Fund does offer some hope. If this hope vanishes, the credibility of the European institutions is bound to suffer. We, however, have reached a dead end while

agricultural expenditure, especially in the Guarantee Section, is rising, and rising more than it should, for contrary to all the decisions taken it is higher than revenue. While even the European Regional Development Fund gets proportionally more from the budget, the share of the Social Fund in the general budget is stagnating if not falling, contrary to all the decisions of the Council. This once again shows the discrepancy between the words and the deeds of the European Ministers. Yesterday Mr Fich already pointed out what a jolly bunch of ministers we have. First the Employment Ministers and Social Affairs Ministers decide on grand programmes and ask for support, and then the Finance Ministers delete it with their red pencils, and in the end the whole business leads to nothing at all.

But in my view, at least, it does reflect the importance actually given to social policy. Whenever something goes wrong with economic growth, people lay the blame on social policy. I maintain that social policy is not the cause of the economic crisis but its victim, for if we look at the matter properly we will find that the sectors in which we spent most on social policy were flourishing sectors. So this causal connection cannot be true, and I dare to assert that our crisis in Europe is due much more to mass production, to the fact that we are faced with competition from the third world, that we also have to contend with the new technologies, and that we have not managed to cope with all these things.

To put this on the backs of the unemployed, young people and women who have no job prospects, I think, scandalous and inadmissible. That is why I emphasize again that I think it is wrong for social policy to be made into the scapegoat today, and that we have good cause here in Europe to create a counterbalance to what is described in modern American usage as 'deregulation'. That term means none other than the continuous erosion of the protection of workers and greater flexibility to the benefit only of the employers. I have nothing against our discussing ways of reacting more flexibly, but not at the cost of the mass of the employed, that is to say, of those who might as a result become unemployed.

The Socialist Group is in favour of a European social area. There is no question of that. But, as I said, we want a social area that deserves the name, where there are jobs, where the citizens all have basic securities. I think that is very important. We want a Social Fund that does not just heal wounds but that really points new directions for training and employment, that really acts as a kind of motive force.

Let me now say a word about the new technologies. Various Members have referred to them today. I can still clearly recall all that Mr Poniatowski said on the subject. I wonder where we get this childish belief that if only we invest enough in new technologies, new information technologies, employment will suddenly

## Salisch

improve again in Europe. I ask you, surely we all know that the employment figures connected with the new technologies will be negative for a long time. So it is irresponsible to sell a research policy in favour of new technologies — against which I have nothing in principle — under the pretence that it offers the bonus of new jobs. For that is precisely not the case.

I think that as responsible politicians we should also realise that we must create jobs in areas which at first sight perhaps have nothing to do with these new technologies. The social chapters of our budget give us a good chance to do so. May I refer you in particular to item 6401 concerned with local employment measures. Here, in response to my amendment, the Social Affairs Committee decided to ask for the appropriations to be doubled. That is still very little, but it is an amount we can use to create jobs directly, at local level, for young people, women and other disadvantaged groups. I very much hope that during tomorrow's vote this House will join us in supporting this amendment.

The speaker on the budget named two priorities. Mrs Dury has just repeated them. And I shall do so again. The two top priorities for this important budget are measures to combat hunger in the world and measures to combat unemployment here at home. So far, the budget has not reflected these priorities. So I think that if this Parliament does not want to forfeit its credibility, it must build up the appropriations for social affairs again during tomorrow's vote. I shall list them to you again: women, old people, the handicapped, the long-term unemployed, migrant workers and, not least, young people — these are all people who hope for help from the European Social Fund. But while their problems are multiplying, our resources are dwindling. This Parliament simply cannot accept that.

Social policy does not just mean money. This House has adopted projects on part-time work, on parent leave. We have adopted the Vredeling directive; we have also adopted the recommendation on shorter working hours, that is, we have certainly proposed a whole range of measures which would help combat unemployment. In my view, increasing the appropriations for the social sector while at the same time urging the Council to translate Parliament's proposals into action offers a chance of eventually producing more employment.

*(Applause)*

**Mrs Maij-Weggen (PPE).** — *(NL)* The comments I wish to make in this debate also concern the social policy section of the Community budget. I shall confine myself to three points. I want to say something about the European Social Fund. I want to say something about the smaller social items. And I want to say something about the link between social policy and the other policies covered by the budget.

Firstly, the European Social Fund. This Parliament has in recent years considered the size and tasks of the European Social Fund at great length. We ourselves had a large say in the increase in the size of the fund. Despite the pessimistic stories told by those on the left in this Parliament, systematic increases in the last five years have more than doubled the European Social Fund. As a result, it has become the largest item in the whole Community budget after the Agricultural Fund and the Regional Fund. That is something we must not forget.

More important than the increase in the size of the fund, however, is the change in its tasks. Since last year a large proportion of the fund has been used in the fight against youth unemployment. The importance the Member States attach to this new task is revealed by the fact that this year applications have been received for three times the resources available to the fund. Nevertheless — I do not know whether Mrs Dury arrived at this total — it has been possible this year to finance the participation of over one million unemployed young people in European Social Fund projects relating to basic training, practical training, work experience and work. This means that we have been able to give about a quarter of the European unemployed under the age of 25 a new chance in the labour market this year through the European budget. Having heard all the pessimistic stories about the European Social Fund, I think this is a fantastic performance. We must also learn in this Parliament to count our blessings.

It is not therefore surprising that, keen though it is to cut the Community budget, the Council has spared the European Social Fund. My group is grateful for this, even though it believes that the fund again needs more resources this year if it is to function properly, and even though applications for three times the amount of money available have been received. We can certainly support the amendment tabled by the Committee on Budgets, but we think there is also room for the compromise amendment, which I have indeed signed myself. My group will be discussing it this evening. Whether we can approve it partly depends, of course, on whether it would take us above the limit on our resources, but we view this amendment favourably and we shall consider this evening what we can do with it.

Secondly, I should like to say a few words about the smaller social items of the budget. The Council has been rather arbitrary in the way it has dealt with the many minor social tasks the Community has assumed in the past. Consequently, my group tabled a large number of amendments in the Committee on Social Affairs and Employment with the aim of restoring the appropriations for these items to the level proposed by the Commission. These items concern migrant workers, frontier workers, the handicapped and the elderly, the equal treatment of men and women, which I consider extremely important, new technologies and a European family policy. We consider the last item par-

**Maij-Weggen**

ticularly important, especially at a time when the family is undergoing considerable change and is also under great pressure. We hope the Commission will put this item to good use. We remind the House in this context of the Cassanmagnago Cerretti report, which Parliament adopted and which lists many tasks for a European family policy.

I will conclude with a few words on the link between the social policy and the other policies. The Council has spared the Social and Regional Funds, doubtless because maximum use is being made of these funds at the moment to fight unemployment. This again is a good thing. But when the Council simultaneously cuts other budget items which have just as much to do with the fight against unemployment and the creation of jobs, it cannot, of course, be said to be adopting a consistent and integrated approach to the problem of unemployment. The energy policy, for example, has been reduced by 32%, transport by 36%, the common energy policy by almost 40% and, worst of all, the policy on information technologies and new research by nearly 60%. In other words, what the Council has given to employment policy with one hand it has taken away with the other. We must therefore ask ourselves — and here I agree with Mr Poniatowski — what we are in fact doing. If we train millions of young people for new jobs with European Social Fund resources and at the same time fail to make it possible for these new jobs actually to be created, what do we want to achieve? Do we want to send our young people to Japan? Or to the United States to take up new jobs there? Or do we intend to create them ourselves? I think it is very important that we should be prepared to support these economic items, these energy items and these research items. My group believes that these items also form part of the employment policy. What I am trying to say is that social policy and these policy items are linked and together form an employment policy of the European Community. We shall at all events support these items during the voting tomorrow.

If the Council has not realized that there is a link in these areas, it is a good thing that Parliament will have the last word on the budget tomorrow and again in December. And I believe the hardest struggle we will have in this Parliament will be in ensuring that Parliament continues to have the last word on the budget so that we can prevent a recurrence of this kind of joke.

**Mr Tuckman (ED).** — Madam President, Mrs Salisch said *'Es passiert zu Lasten der Arbeitnehmer'*, which means it is all on the backs of the workers. She is right, but not in the context in which she put it, because if we merely support that side of the Social Fund budget which gives comfort, then in the end we will not have the money to do all these things. What we have to do is make sure that stress is laid on the part of the Social Fund which equips people to work properly. That is the important contribution that this part of the debate can make.

I, myself, would like to look slightly further ahead. I want to see a time when what was decided at Fontainebleau will have the result that the farming community will be satisfied and content with one third of this Community's budget, and that will have opened up some room. So while I plead very strongly that my colleagues and everybody else should vote for that 20 million ECU amendment which will come as a virtually agreed amendment in front of this House on the Social Fund, it should in future times be seen merely as a modest token when we shall begin to talk in hundreds of millions and even billions. That is really what it is all about.

Now the Social Fund has several aspects. There is the relief aspect and, particularly when it comes to poverty and helping the unemployed, I am very much in favour. But unfortunately it is only relief. It does not cure our situation. Our situation is cured if we are able to provide people with skills which are changeable across a lifetime, if we get an attitude where our people move from one type of job to another and from one location to another. I fear Europe has a very long way to go before it really arrives at something that will stand up. Therefore the watchword from my group would be that everything that can be done to make people more flexible in their approach is important. And might I in this context also say that unemployment is due in part to the fact that there are more people who search for work. Our working population has, in fact, been increasing all the time, so this is not simply one more negative aspect of unemployment.

There is a very bad situation which has not yet been mentioned, and it concerns in particular the Social Fund. Time and again we find that money has been placed at the disposal of the Commission but is then not spent. If we turn that right around and look at a normal commercial organization with a sales budget, we see that if the sales manager does not fulfil the budget, he is in deep trouble because he has prevented the organization from achieving its key aims which depend on selling. Well, the Commission in its social aspects is very much concerned with getting the money out to useful projects, and for reasons which are not very clear this does not always happen. I think this is an aspect which needs stressing very strongly.

Madam President, I would like now to plead for support for one very small amendment, and it is line 2205 — it is a new line. But it would equip the Commission itself in the Berlaymont to become a decent employer. Was it known to you, Madam President, that at this stage we are not equipped — we the EEC — to employ handicapped people because we do not have a line empowering us to put in the equipment? So we are asking for a very small sum — it may in the end turn out to be a token entry, but I reckon that in order to make ourselves respectable it is highly important.

Still on the question of staffing, again I plead that the archaic procedures which this House and the Commis-

**Tuckman**

sion follow should be reviewed. What happens at the moment is that the Commission put in for a number of people asking for more than they need, because they know that Parliament without any background material to go on, will ask for a reduction. Then, by some stupid process, we arrive at a middle figure which may or may not be close to the number required. We are in 1984 and nowadays one can study these things and arrive at a sensible result. It really is time we brought ourselves up to date in that sense as we have done by using electronic voting equipment.

Madam President, my main plea is that we should use this social budget for the purpose for which it was designed, namely, to help prepare our people to take on the new jobs, to instal the new aids, to back up the entrepreneurs who are willing to create the jobs, so that in the end we do not always have to say: 'Well we do the best we can, but see how much better the Americans are.' There is no reason why we should not be equally good.

**Mr McCartin (PPE).** — Madam President, my colleague, Mrs Maij-Weggen, has said many of the things that I absolutely believe. So did Mr Tuckman also, except that he started off by proposing that we cannabilize one fully developed policy in order to develop another one and, of course, I could not agree completely with that.

The details of the budget have been discussed. I want to speak generally about the budgetary constraints under which we operate. As far as Western Europe is concerned, we are now in an age when restricted public spending seems to be the political policy at national level of almost everybody, whether they be of the right, left or centre of the political spectrum. That is the policy, but, in practice, never before have such massive proportions of GNP in Member States been spent by the public sector. The excesses in this area have been identified as at least a partial cause of the slowness in our economic growth and of the high unemployment. It is entirely appropriate that policies of caution should be adopted by national governments, but to extend this policy to the infant institutions of this Community and their as yet underdeveloped policies would, I believe, be a great folly. It would be a particular folly when we consider that the solution being offered by economists and politicians is more Community action at Community level to replace the fragmented approach, which is a failure; and there is no greater evidence of this failure than the 12.3 million unemployed people in this Community — 10% more than a year ago.

We need Community policies to bring about economic convergence through the Regional Fund. We need Community policies to bring about a sense of solidarity through the Social Fund. We need common policies to harness the immense resources of this Community and, through our common efforts, to beat the

forces inside and outside the Community that threaten to consign the people of this part of Europe to a secondary role in the world. We will not have these policies if we fail to provide ourselves with the budgetary resources necessary for the job. Budgetary discipline is necessary, if this means making the best use of every ECU of taxpayers' money raised, avoiding wasteful spending and excessive administrative costs. But if discipline means pegging spending at its present level, then what we will have is less Community action and increasing reliance on the less efficient national measures.

It is particularly regrettable that, notwithstanding general agreement on the importance of Community action to combat unemployment, the share of the Community budget represented by the Social Fund has fallen from 6.97% in 1983 to 6.74% in 1984 and in 1985 will fall still further. In this regard I want to point out that while the share of the budget going to priority areas is quite generous — 40%, in fact, to the six regions of maximum priority — these are the most vulnerable areas and already a slowing down in advances from the Commission is causing quite serious hardship.

Insofar as public bodies are concerned, this means that they are obliged to borrow bridging capital. Thus the effectiveness of the Fund is reduced by their having to meet bank charges. In the case of voluntary organizations looking after the handicapped and other weaker sectors which cannot so easily borrow money, it means severe disruption of their programmes. If the funds provided to voluntary organizations for training programmes are to be effective, they will have to be paid for as they fall due, and I would ask the Commission to make a special effort in this respect.

My next point is that in the part of the Community I represent, Ireland, we have a serious unemployment problem, not only because the economic recession caught us at an earlier stage of our economic development but also because a high proportion of our people are very young. The trend in our birthrate will continue and our labour force will go on increasing up into the 1990s at least. For this reason the Social Fund is particularly valuable, and while we appreciate the benefits that it has already brought to this region of the Community, we nevertheless feel that we need an increase if we are to solve the problem.

This is the problem we have in Ireland, but in other parts of the Community there is another sort of problem appearing. From recent newspaper reports I notice that the Federal Republic of Germany is the best example. In 1960 the birthrate was 17.4%; in 1983 it was down to 9.7%. The Federal Institute for Population Research estimates that this is 40% of what is needed to retain the population at its present level. What will develop, if this trend continues, is an ever-increasing rate of dependency which will create further economic and social problems. This is a problem

**McCartin**

in the social area to which, I think, we in this Community should address ourselves and seek to identify what it is that is causing the people to avoid the responsibilities of bringing up a family — is it housing, working hours, the fact that we need two incomes to maintain one family? Whatever it is, we should identify it and seek to resolve it, and I think it is very appropriate we should do so at Community level. If we can discuss in this House the problems of trees, grass, herbage or other forms of life that fail to grow, why can we not take more seriously the failure in a part of this Community to maintain the structures of our population? I do not think it has been given sufficient attention.

(Applause)

**IN THE CHAIR: MR DIDÒ***Vice-President*

**President.** — I call Mrs Dury to speak on a point of order.

**Mrs Dury (S).** — (FR) Mr President, I am not really raising a point of order but rather making a comment on working conditions. I have just heard the interpreters say quite justifiably that they cannot translate properly texts which are read too quickly. So perhaps it is right that you should know this, Mr President, so that all other honourable Members who are yet to speak can bear it in mind.

**President.** — I would remind you, ladies and gentlemen, that when you deliver your speeches too quickly, you do not give the interpreters time to translate them properly. I should be very grateful if you would kindly bear this in mind.

**Mr Welsh (ED), Chairman of the Committee on Social Affairs and Employment.** — Mr President, not a word of this speech is going to be read. I would also like to make it clear that I speak on behalf of my committee and not of my group.

I am very glad to see that Mr Fich has entered the Chamber, because until he came I think that, with the honourable exception of Mr Elles, there was not a single member of the Committee on Budgets to listen to this rather important part of our debate. I must say to Mr Fich, through you, Mr President, that I deeply regret the attitude which the Committee on Budgets has taken to this whole question of the development of the Social Fund.

The Committee on Social Affairs and Employment has spent many hours of careful debate and deliberation as

to what to recommend to Parliament and has approached this in a responsible way. As far as I can see from the reaction of the Committee on Budgets, we have simply wasted our time.

It is really not good enough for the Committee on Budgets not to reveal to spending committees the amount of the budget that they propose to vote to a particular chapter, and then expect spending committees to make reasonable suggestions as to what should be put on the various lines. I would like to say to Mr Fich that I hope he will report this to the chairman of the Committee on Budgets, who sadly is not here. Next year I hope we will have rather a better procedure whereby the Committee on Budgets will indicate at the beginning how much of the budget it is recommending should be allocated to each chapter. That will let the spending committees deploy their expertise, which is after all what they are for, to decide how much of that money should be apportioned to the various lines within their competence. I find the entire procedure by which this has been handled totally unhelpful and quite wrong.

Having said that, I would like to make the following point: time after time this Parliament has called for increases in spending in the Social Fund. What do we find? We find that the Committee on Budgets, in its arrogance, has presumed to dismiss a perfectly reasonable compromise amendment seeking to put in a figure for payments of 52 million, which would reduce the advance rate for the Social Fund to under 38% when the regulation itself says 50%. It then commends this to the House as implementing Parliament's will. What a disgraceful performance! I would say, Mr President and colleagues, that what we should do is to reject this particular form of Caesarism and vote for the perfectly reasonable compromise amendment of the Committee on Social Affairs and Employment intended to add back the beggarly sum of 20 million to the payments column for the Social Fund, so that at least the Parliament can depart from this process with some dignity and with some semblance of being consistent.

**Regional Policy and Regional Planning**

**Mr Hutton (ED), rapporteur on regional policy and regional planning.** — Mr President, of all the instruments which the European Community has to tackle unemployment, the European Regional Development Fund is clearly the most effective. There is nobody in this Parliament who does not want to tackle unemployment. Parliament has repeatedly urged the expansion of the fund. Indeed, it has specifically said that it wants to see the fund doubled in five years. This year this Parliament has the chance to put its votes where its mouth is and make a substantial breakthrough towards that goal.

The Committee on Regional Policy and Regional Planning has proposed a positive increase of 19.9%



**Hutton**

for the new regulation which comes into force in January and the existing non-quota section measures. We are giving this Parliament the chance to prove that it means what it says about the Regional Fund. Unfortunately, the Committee on Budgets has done parliament a considerable disservice by destroying the careful balance achieved within the Committee on Regional Policy and Regional Planning.

I do not quarrel with the right of the rapporteur to try to bring order into the demands made by the various committees. For the Committee on Regional Policy and Regional Planning, Mr Fich was perfectly honest and set a limit of 150 m ECU to be shared between the main fund and the integrated Mediterranean programmes. By comparison with other committees that was a relatively generous figure, and I hope that it was a recognition of the way in which the Committee on Regional Policy and Regional Planning tried to help the rapporteur by making practically no demands on payments.

However, within his total, the Committee on Budgets selected an increase of only 60 m ECU for the main fund, while for the integrated Mediterranean programmes, which have not yet been passed, the committee supported an increase of 90 m ECU. The Committee on Regional Policy and Regional Planning's wish for that line was 140 m ECU. The balance that the Committee on Regional Policy and Regional Planning wished was to see the ERDF given something over double the amount given to the IMPs. I have tabled a compromise amendment on behalf of my group which restores the balance of the Committee on Regional Policy and Regional Planning. I hope that this evening the Committee on Budgets will see fit to accept that compromise, which is within the limits it has set but which retains the balance desired by the Committee on Regional Policy and Regional Planning.

If the new Regional Fund is to work properly with its new demands and techniques, it is going to need properly qualified staff to do the job. The Committee on Budgets was not initially asked for the staff which the Commission had requested to operate the new regulation. When the committee realized that it was short by some 25%, it plucked a figure from the air to cover its nakedness. However, what the Committee on Budgets has proposed is not adequate for the task. So, I have tabled another compromise amendment seeking to give a more realistic increase in staff to the Commission to enable it to make the new regulation work. Neither the figure nor the table of grades in the Committee on Budgets' present amendments make sufficient provision. I hope that Parliament will remember the resolution that Members here supported when they adopted the new ERDF resolution, which quite specifically asked for sufficient staff to make it work. Once again the Committee on Regional Policy and Regional Planning is going no further than Parliament

itself has gone and is only asking that Members again put their votes where their mouths are.

Mr President, the Regional fund is one of the few ways in which our Community can make itself coherent to the many citizens in distant and less well-off areas of our Community. I am asking this Parliament to remember those people when Members here come to vote on the amendments to the regional sector of the budget. Those people are looking to the members they have sent here to vote on their behalf to give a positive lead in increasing what we spend in the difficult areas of the Community. People's jobs are at stake in your votes in this Parliament. Remember them and remember the possibilities you will open for them by giving a clear demonstration of the will of this Parliament to give a real boost to regional spending in Europe.

**Mr Griffiths (S).** — Mr President, since 1979 I have had the privilege of speaking on the Regional Fund in the budget debate in every year except one. This year I come with less enthusiasm than before, because this year more than any other we are experiencing the very difficult limits being placed upon the Committee on Regional Policy and Regional Planning and upon the political groups — particularly my own group — as to the amount of money that can be allocated to increases in Regional Fund expenditure. In fact, we are operating in a strait-jacket, and this strait-jacket is plainly preventing us from meeting the objectives laid down in the Treaty of trying to reduce the disparities between rich and poor areas.

Mr Hutton pointed out that, as rapporteur, he guided the Regional Committee towards making a 20% increase in the size of the Fund this year. This was the first step towards doubling the Fund over a five-year period, which was the objective not just of Parliament but also of the Commission and, dare I say it, of the Council as well in their attempts to produce a more balanced budgetary approach and a more balanced policy approach towards the problems which beset the European Community. Instead, we have a Committee on Budgets recommendation, which my own group is supporting, of 60 m ECU extra in commitments for the Regional Fund itself and 90 m ECU extra for commitments towards the integrated Mediterranean programmes.

Now we know that there might be some difficulty in this particular area, because the Council has not yet brought forward a regulation to enable this money to be spent and in their draft budget only put a 'p.m.' on this line, which suggests that they do not see the possibility of getting this money spent or even committed in the coming year. In the Regional Committee and in the Socialist Group we have left money on this line, because we believe it is important that the Community should show that it is committed to a programme in the Mediterranean area to do something about the

### Griffiths

great disparities of wealth which still exist. We are debating this budget at a time when the second periodic report on the state of the regions has been published, and that report shows that, despite the increase in the size of the Regional and Social Funds over the last few years, the differences in wealth between rich and poor areas have grown greater. You have only to go through the Community, country by country, to see this. It is especially to be seen in the United Kingdom, where there has been particular devastation of the regional economy and where some regions which five years ago were relatively prosperous today figure among the worse-off areas in the European Community. So I come with the support of the Socialist Group for the Committee on Budgets' amendments, but I come with a heavy heart because I know, and this House knows, that they are nowhere near sufficient. The Regional Committee's own amendment is really a minimum requirement. The compromise amendment by Mr Hutton is something which I personally will also be supporting, although our group has not yet had time to study it.

As regards the question of staff, I can only appeal to the Committee on Budgets and to the Commission itself to ensure that once they do get their allocation of staff, whatever it happens to be, priority will be given to the Regional Commission. A new regulation for the Regional Fund will come into operation in January, and if this is to work, if it is to be efficiently put into practice, then we must have the staff to ensure that it works properly. So I appeal, in connection with the increase in staff, that the Regional Commission be given priority.

I should like to close with a few personal remarks. One concerns something which, on the face of it, might not look as though it had got anything to do with the Regional Committee but which, in fact, has a great deal to do with the regions of this Community. This is Article 636, which concerns minority languages and cultures. There are a couple of amendments there from the Committee on Youth, Culture, Education, Information and Sport and from Mr Stevenson and others which seek to reinstate money on that line. It is for the Centre in Dublin for minority languages and cultures, and I would suggest that Parliament, having adopted the Arfè report on the protection and promotion of minority languages, should now provide sufficient funds for that Centre to work properly. It is linked with the regional economy, because almost without exception the places where languages are dying are those where the regional economy is dying. Therefore, anything which can be done to promote the language will promote the economy in the region and *vice versa*.

I close by appealing to Parliament to make sure that it at least gets through the amendments of the Committee on Budgets. They are in themselves less than sufficient but better than what the Council is proposing, because the Council has acted like Pontius Pilate

and washed its hands of the regional economy. I would add a personal appeal to the House to look beyond the Committee on Budgets' amendments and to support the Committee on Regional Policy and Regional Planning and, at the very least, the compromise amendments mentioned by Mr Hutton. It is only by promoting the regional economy that we can achieve the cohesive economic development which will enable this Community to survive. Otherwise, I am afraid that the Community itself will slowly but surely fall apart.

**Mr O'Donnell (PPE).** — Mr President, this annual budgetary exercise is taking place against the background of an absolutely crazy financial situation — a situation which has been allowed to develop by this Community over the past few years.

As directly elected Members of the European Parliament, we are debating and will be voting tomorrow on an annual budget which will be totally inadequate to meet the real financial needs of this Community in 1985. For the past couple of years we have been drifting from one financial crisis to another, living on a day-to-day basis and having to devise *ad hoc* measures to meet increasing liabilities. Because of the continuing financial restraints, it has not been possible to formulate and implement urgently needed realistic Community policies, for example, policies to tackle the frightening problem of growing unemployment and the problem of ever-widening regional disparities under which the rich regions continue to get richer and the poor to get poorer. No progress has been made towards implementing a coherent Community transport policy, which should be an integral part of regional policy.

The regional policy area provides a perfect example of the failure of this Community to face up to the fundamental problem of overall Community financing. One of the outstanding, but also the least defensible, characteristics of this Community since its establishment over a quarter of a century ago is the ever-widening gap in prosperity between the richer and poorer regions of this Community. The forthcoming entry of Spain and Portugal to the Community will exacerbate the situation still further. Indeed, recent reports on the regional situation in this Community show that, despite the efforts of the Community in the past, the gap between the richer and the poorer regions is not diminishing and the employment situation is continually worsening in the regions. The recently published second periodic report on the regions clearly pinpoints this problem.

Since 1979 the Committee on Regional Policy and Regional Planning — and indeed this entire Parliament — has expended time and energy in a continuing effort to formulate a realistic and effective Community regional policy. The report by Mr De Pasquale and another very important report on the Mediterranean

**O'Donnell**

area by Mr Pöttering, both of which were approved by this Parliament, signposted a way ahead for Community regional policy. The emphasis given to a Community regional policy by the Fontainebleau Summit and the decision by the Council of Ministers in June 1984 approving new guidelines for the ERDF to come into force in January 1985 have raised hopes and expectations of a new era in Community regional development policy and planning. Alas, however, these hopes and expectations now seem once again to be doomed to frustration by the budgetary constraints with which we are confronted.

In our approach to the 1985 budget the Committee on Regional Policy and Regional Planning, as has already been explained by the rapporteur, Mr Hutton, was confronted with a situation where the Commission proposed that the ERDF commitments should be increased by only 5.1%, which is the estimated average level of inflation in the Community in 1985. This proposal by the Commission represented total stagnation as far as the ERDF is concerned. Nor did it take into account the new demands on the Fund arising from the implementation of the new guidelines as well as the need for additional staffing. The Commission's proposal also ignored the objective set out in its own document — to which Mr Hutton has already referred — relating to the reform of structural policies, which was subsequently approved by this Parliament and which envisaged an annual increase of 20% per annum in the ERDF over a five-year period.

The staffing situation, as Mr Hutton and Mr Griffiths have pointed out, is very serious. We in this group fully support Mr Hutton's amendment which proposes to increase the staff total to 80 with an amended table of grades. It is ludicrous to talk about implementing the new guidelines for the ERDF without adequate financing and adequate staff. The proposal by the Committee on Budgets to reduce the 315 m ECU for the ERDF to 60 m is likewise indefensible and cannot be accepted.

Mr Hutton's compromise amendment is worthy of consideration. Like Mr Griffiths, I will discuss it with my group later on this evening. We in this group wish to see the new guidelines for the ERDF speedily and fully implemented and we are especially committed to the Mediterranean plan and programmes. These objectives cannot be achieved without adequate financing and adequate staffing. We wish to see the problem of growing regional disparities tackled with vigour and determination. A policy of robbing Peter to pay Paul and juggling figures about between one budget line and another will not suffice.

Finally, we must totally reject the oft-repeated suggestion that the ERDF should be increased by means of a reduction in agricultural spending. For Europe's most remote and least-favoured regions agriculture is an integral part of the regional economies, and any credible regional policy must take into account the key role

of agriculture in regions such as Ireland, southern Italy and Greece.

**Mr Ebel (PPE), rapporteur on transport.** — (DE) Mr President, honourable Members, as anyone can see, Article 580, or 780, of the budget — transport — does not involve huge complicated calculations, but could in fact be set out clearly on a DIN A4 page and relates only to what is called non-compulsory expenditure. Basically it consists of seven budget lines, whose main items and therefore also priorities show the position (infrastructure within and outside the Community). The other five lines relate to the financing of studies and statistical surveys which the Commission cannot carry out itself and which must therefore be given out to the appropriate institutes.

The reason for this Lilliputian budget, if I may call it that, which continues to live in the shadows, is the sad fact that transport policy is only a newly developed instrument of this Parliament, which it created thanks to its power of decision for non-compulsory expenditure and should now expand. Here Parliament has met with resistance from the Council, not only at the outset but in the past two years too.

So what has the Council done to this offspring of Parliament in its draft budget? It has cut away at it and deformed it to such a scandalous degree that there can no longer be any question of the survival of this young policy. And the really perfidious justification for this — I cannot think of a more appropriate term — was that some resources were still available, so the new appropriations would suffice. That is certainly the case, but the reason for it is that by its constant inactivity the Council has failed so far to adopt the necessary legal regulations enabling the appropriations pending since 1983 to be allocated at last.

The apparent decision of the Council of Ministers of Transport last week makes no difference to this. I see it merely as an attempt to shift the blame onto the Commission. In my view we need definitive action and decisions instead of passing the buck. There was time enough. Unless the final decisions on the 1983 resources are taken by December this year, these 28 million ECU will be forfeited, for everyone knows that appropriations can only be carried forward for the next year. Should these appropriations really be forfeited, this Parliament would be called on again to consider how to respond to this failure to act and disloyalty *vis-à-vis* Parliament. Moreover, in view also of the prevailing situation and the Community's shortage of money and after careful examination of all the budget lines, the Committee on Transport has made evaluations — which include the additional deletions by the Committee on Budgets — which it believes represent the minimum of what is needed if we in this House are to continue believing in a credible and therefore also efficient and successful transport and transport infrastructure policy.

Ebel

That is why my concern, and my request, is that this House does not fail to support my amendment when it votes on the transport chapter.

**Mr Visser (S).** — (NL) Mr President, my group was also extremely surprised by the proposals for the transport sector in the 1985 budget which the Council has submitted to Parliament. Parliament's requests and statements have simply been ignored. A transport policy, cautiously included in the budget, has been virtually demolished, where the items for infrastructural activities are concerned. While there might be some sympathy for the careful use of the pruning-knife, what the Council has done can only be described as wielding the blunt axe. The transport budget submitted by the Council is, as the Committee on Transport has also said, completely unacceptable. Why?

If the fight against unemployment is one of the most important goals of a European policy, abstract formulations or a completely inadequate von Bismarck report, which we shall be considering on Thursday, are not enough. What are principally needed are specific employment projects, because they create work, directly in the case of investment projects and indirectly since better communications may result in strong patterns of trade.

The budget has included items for financial aid to projects in the area of transport infrastructure since 1983. We began tentatively with small amounts, which were increased slightly in 1984 and which the Commission has proposed should be increased further in 1985, to the modest sum of 110 m ECU in commitment appropriations and a modest 34 m ECU in payment appropriations. This is a new instrument which, in the case of investment projects, will, of course, take some time to bear fruit. By definition, the commitment appropriations cannot be entirely spent in one financial year. It takes several years. Despite this, the Council of Transport Ministers failed miserably with regard to the spending of the amounts included in the 1983 budget. It will have to take decisions in this regard in December. But the Council of Budget Ministers is being short-sighted if it infers that, because decision-making and spending are slow, the new budget items for 1985 can be deleted in their entirety.

Mr President, infrastructure projects in the transport sector concern not only transport itself but also technological innovation. We need only think of the railways, where new lines, new transport systems and, for example, the electrification of old lines are needed. Environmental aspects are also involved. Railways cause very little pollution, for instance. This is another reason why this item must not be removed. A sizable proportion of this money should be spent on railway projects. And not the least important consideration is the employment directly created since these are additional investment projects. Subcontractors, supplying steel for railways, for example, can also benefit. Furth-

ermore, this budget item has a considerable multiplier effect. The Community subsidizes about 25 to 30% of the project. Thus three times as much capital spending is in fact involved. These budget items must also be given top priority because of their effect on employment. It is therefore bewildering that the Council should appear to want to knock a new instrument of this kind on the head even before it has been properly introduced.

Mr President, I will just comment briefly on a few amendments on behalf of my group. The first concerns the budget items for transport, which must remain where they belong, in the section on general economic and industrial policy. I have just explained why. I would also refer you to the report of the Committee on Transport. My group agrees to the proposal from the Committee on Budgets that a commitment appropriation of 90 m ECU, which is still 20 m less than the Commission and the Committee on Transport have proposed, and 34 m ECU in payment appropriations should be included for infrastructure projects. I have also explained the reasoning behind this at some length. The guarantee for Community borrowing and lending in respect of infrastructure projects must be left as a token entry because there is no need to preclude aid to private undertakings from the outset.

A fourth amendment I wish to refer to is an important one in the opinion of the Committee on Transport. It concerns the entry of 10 m ECU in Chapter 100 for financial aid to projects outside the Community. My group is thinking here specifically of aid to Austria, which this Parliament has always advocated. 10 m ECU is, of course, no more than a political gesture.

Mr President, the *impasse* in consultations with Austria in particular has already gone on long enough. My group is seriously concerned about this and appeals for a political breakthrough at long last. That is essential.

The last amendment concerns a 200 000 ECU increase for 'Observation of freight markets'. It goes without saying that a policy cannot be developed unless the market is properly observed.

Mr President, as these amendments also have the support of the Committee on Transport and the Committee on Budgets, my group assumes that Parliament will adopt them. There must be consistency here since our own credibility is at stake.

**Mr Newton Dunn (ED).** — Mr President, I am going to speak in support of Amendment No 90 to Article 582, which concerns transport. It proposes a financial guarantee for the construction of a fixed cross-Channel link between Britain and France — something that is of great interest to the European Community.

What is delaying this link, for you will remember that it was first proposed by Napoleon nearly 180 years

## Newton Dunn

ago? Well, the French Government seems to be very keen. Indeed, President Mitterrand mentioned it in a speech during his recent State visit to the United Kingdom. I am sorry to say it seems to be my government — the British Government — which is causing the delay. Initially, they insisted, quite correctly, that they would not provide any finance for building a link from taxpayers' funds. Now they will not provide a financial guarantee of last resort, even though private industry will undertake the financing. And now, even though private industry has said it does not need a final guarantee of last resort from the government, there is still silence from the British Government. We wonder why.

The arguments in favour of a fixed cross-Channel link are exceedingly strong. First of all, it would provide a year-round link unaffected by the vagaries of the weather and by industrial disputes in the air, on the sea or in the ports: a continuous guarantee of transportation across the Channel. Secondly, and this is very important, it would increase competition in transportation across the Channel, which would greatly benefit both the public and importers and exporters. It is not widely known that the sea ferry route across the Dover Straits is the most expensive sea crossing in the world. It urgently needs some real competition. It would not drive out of business the sea ferries that are there at the moment, because they go to many other places on the continent. Rather a fixed link would result in an overall increase in the amount of traffic each way across the Channel, thus producing more business to be shared between the ferries and the fixed link.

The most important advantage that would accrue to the British Government by building a fixed link is this — and it is most important to remember that we have very high unemployment both in France and in the UK: at no cost at all to the British Government or to the taxpayer, there would be several thousand permanent new jobs established once the link had been completed. In the meantime, during construction, there would be an estimated minimum of 250 000 man-years of work, particularly in the sectors of highest unemployment — specifically in steel fabrication, shipbuilding, quarrying, precast concrete, electrical and mechanical plant and on-site construction. That seems to me a bargain for the British people at a time of high unemployment: no cost, lots of extra jobs.

Two other small advantages. First, a cross-Channel link would reduce for many people the time of travel across the Channel. Secondly, the link would put more long-distance freight onto our railways, which tend to be more economical for journeys over 400 kilometres.

So the advantages are overwhelming in favour of getting on with building this link. The timing is extremely topical. The Anglo-French Summit at the end of this month will, I hope, discuss this question as a matter of urgency and reach agreement to act positively. The British Government should now agree to give a guar-

antee of no political interference in the construction of the link, because, regrettably, last time in 1975 it was a Labour Government in Britain which unilaterally pulled out of building a tunnel, leaving our French partners stranded.

This decision should be one of the great decisions of our generation. The British people have been moving towards their continental neighbours and away from isolation for most of this century. It was a famous Frenchman, Blériot, who first crossed the Channel by air non-stop in 1909, proving that Britain was no longer isolated. After the Second World War an American Secretary of State, Dean Acheson, said that Britain had lost an empire but not yet found a role. We are beginning to find our role in Britain now, which lies in being wholehearted members of Europe, and a fixed cross-Channel link would symbolize our new role and link us by an umbilical cord to the European body.

I hope, to conclude, that the British and French Governments will rapidly reach final agreement on this and, of course, that tomorrow the European Parliament will vote in favour of Amendment No 90.

## Environment, Public Health and Consumer Protection

**Mr Collins (S), rapporteur on the environment, public health and consumer protection.** — I must say that this part of the budget procedure, where we all come along and plead the cause of our own committee, was summed up for me in a parody of a poem reprinted in the *Guardian* newspaper this morning which reads:

The Owl and the Pussy Cat went to sea  
In a beautiful pea-green boat.  
They took some honey, and plenty of money  
And the boat sank under the weight.

We all make our demands and I hope that eventually somebody in the Council will pay attention.

I should like to draw Parliament's attention to the fact that twice in the last six months the Council has asked for urgency on particular matters. Today they ask for urgency on the question of lead in petrol and car exhaust emissions. At the beginning of the summer they asked for urgency on the question of emissions from large combustion plants. It is not so very long ago that the Stuttgart Summit committed the Community to policies of clear air end environmental protection. Jobs were to be created from environmental policy, and goodness knows, with 14 million people unemployed in the Community, that seems an eminently sensible policy to adopt.

Then we look at the Council's draft budget and we find that there is a complete *volte-face*. In the draft budget we suffer cuts of anything from 30 to 50%, particularly in areas which the Council has already

### Collins

said are priorities. I think the Council stands condemned of hypocrisy and perhaps ignorance, or perhaps both, and I think there can be no question of Parliament agreeing with them on these matters. By and large, in the Committee on the Environment, Public Health and Consumer Protection, we have sought to reinstate the Council cuts' and we have sought to examine the Commission's spending very carefully. We have sought to examine them both in the light of the declared policy of both this Parliament and the Council itself. We have found Council wanting and we have reinstated the Commission's demands.

However, there are one or two areas to which I want very quickly to draw Parliament's attention. First of all, there is no question whatsoever but that it is pointless having legislation unless we can implement it, unless we can see it enforced, unless we can see it put into practice. Therefore, some of the reinstatements which we have proposed are designed to ensure that the Commission can, in fact, implement the policies agreed by Parliament and by the Council.

Secondly, our concern has been to ensure that the Community does indeed put money where it says its priorities are. Therefore, there are particular amendments which we feel very strongly about. We feel strongly about those areas concerned with basic studies of the environment. We feel very strongly about the environment fund. We feel very strongly about toxic waste disposal. We feel extremely strongly about the creation of jobs and the fact that the Council cut the appropriations designed to deal with that. We feel very strongly about the formation of a statistical base on which all of these policies are to be debated. I may say that there is a recommendation from the committee on this. I do not personally agree with it, although, as rapporteur, I suppose I have to say that it is a good idea — but other amendments will be forthcoming. We also want to see more environmental education and we want to deal with air and water pollution. All these are priorities. They are not immensely expensive — not at all — but they do measure up to the statements that have emanated from the Council and the statements that have been made by this Parliament, and I think they are responsible demands. The same is true of the consumer budget, and the same, frankly, is true of the expenditure on the health side.

I want to spend just a little time, however, on one other matter. I would like to spend more time, for example, on the development area, but I know that my friend, Hemmo Muntingh, will deal with that.

I do want to turn very briefly to the question of the Dublin Foundation, on which there is a great deal of misinformation. The Committee on the Environment is proposing to take a proportion of its budget into Chapter 100. This has not met with the universal approval of the people in Dublin. I would like to say to you, Mr President, in conclusion that we are not proposing at all to close or to restrict the Dublin Founda-

tion in any way. What we do want to do is to make sure that the demands of this Parliament and the demands of the Commission and, indeed, the demands of the Council are felt in Dublin, so that we can compel academic integrity and political and budgetary relevance and discipline. We are winning this battle, and only by taking this amount into Chapter 100 can we bring it to success.

**Mr Muntingh (S).** — (NL) Mr President, the Socialist Group has asked me to act as its spokesman on the environment budget. I seriously asked myself whether I wanted to do this. It is only because I am a loyal member of the Socialist Group that I take the floor again. Why was I rather reluctant to say on the Socialist Group's behalf what I am about to say? For the very simple reason that this is the sixth time in succession that I shall have to say the same about exactly the same things that have happened, and I am slowly becoming sick and tired of it all.

I have been a Member of this parliament for almost six years, and every year I have had to speak about the budget and to say what I am about to say now. What happens every year is that the Commission proposes a budget. Parliament considers it and makes a number of marginal improvements. It then goes to the Council, which puts on a blindfold, seizes a thick red pencil and makes random cuts. After this, the budget comes back to Parliament, we discuss it, reintroduce everything the Commission proposed, hardly dare go any further, and the result is roughly the same as the Commission originally proposed, and that was not very much this year. Precisely the same has happened again this year, and I might as well make the same comments as I made last year, which is what I intend to do.

What I have said about this procedure implies that what happens is in fact disgraceful and incomprehensible and beggars description in every way. We parliamentarians might compare ourselves to small waves rushing at a rocky shore only to be smashed on the rocks. After several thousands of years they may perhaps wear the rocks away. But otherwise nothing happens.

And yet something is happening. What is happening is that the environment in the European Community — and that is what we happen to be discussing at the moment — is being damaged at an incredible speed. Our forests are being destroyed, our waters are being polluted, our flora and fauna are dying at a frightening rate, our soil is being polluted, and all the Council can do is use the red pencil to delay once again the marginal improvements Parliament and the Commission have proposed, even though, let it be noted, Parliament and the Commission are doing precisely what the Council asks, which is to take action against air pollution. The circle is thus complete. I cannot make head or tail of it any more, and the same goes for the man in the street. But one thing is clear: if there is a

**Muntingh**

disaster — and there will be if we go on like this — the only people to blame for this weary procedure will be the Council of Ministers of the European Community.

To some extent the Council is aided and abetted by the Commission. I visited the Commission last week to find out what chance there was of a new policy being pursued. The officials I spoke to told me that there was no chance because they cannot even implement the present policy at the moment. How can the Commission tackle the problem of air pollution if it has only two or three people to cover the whole of the Community? How can anything be done about nature conservancy in the Community when there is only one A-grade official and one B-grade official for the whole of the Community? What is more, the B-grade official, in total violation of the rules, is having to do A-grade work. How is it possible, for example, that the ecological problems of the developing countries should be the responsibility of half a man, a single official who devotes half his time to these problems? The Commission is to blame for this. Year after year Parliament has said there must be more staff. But nothing more is done about this in the Commission itself. In other words, the Commission and Council sometimes act hand in glove.

That leaves Parliament of the three major institutions. Year after year Parliament tries to establish a new policy. Year after year it tries to find money. Year after year it says there must be more staff. Year after year it represents the public and does its best to save what it can of the environment. And year after year Parliament is led by the ear like a schoolboy and made to stand in the corner. The Council takes a red pencil to its homework without even looking to see how good it is. And exactly the same is happening again this year.

That is why, Mr President, I do not really feel like speaking here and the public do not feel like going to the polls to do something about Europe because they know there is absolutely no point. The only reason why we go on trying to make our point by making our voices heard here, Mr President, is that we have a sense of responsibility, because we feel responsible as representatives of the public, because we feel responsible for the living world, because we feel responsible for the ecological problems of the developing countries and because we are unwilling to admit that nothing can be done. That is why we again voice our criticism and say to the Council: no more delay, do something! And to the Commission: start taking this matter seriously and listen to Parliament, because it has some worthwhile proposals. As we have again shown this year: Parliament, including the Socialist Group, has tabled amendments with a view to restoring some order at least. It is now for the Council to accept them.

**Mr Alber (PPE).** — (DE) Mr President, ladies and gentlemen, looking at the percentage share of the

environment budget in the general budget of the European Community, we would be tempted to say that little importance is attached to European environmental policy. Thank God, things are not so bad in reality, since many projects have no financial implications. Yet it is significant that the environment makes up less than 1% of the general budget. There is a zero before the decimal point. That reminds me of the institute in Germany *Kunst am Bau* (art for buildings). Since modern buildings are hardly works of art in themselves, a specific percentage has to be spent on some work of art which is then set up in front garden or hung on a wall somewhere.

If we regard environmental policy merely as an additive to some other policy, nothing will ever come of it. I regret that, since many items involve only small amounts. If even these amounts are cut, we are stuck, we will not be able to do anything with the remaining money. If we look at history, we find that history was made by statesmen, philosophers, founders of religion, generals or whatever, but never by book-keepers, and all the Council is doing here is petty book-keeping, which in the end has nothing to do with policy-making.

Environmental policy is very important. About one third of all projects we prepare in Parliament relate to the environment. We are aware of the European dimension of the environment. We are aware of the real needs. We know that the environment is being damaged more and more severely. If we then think of the opportunities offered in terms of the creation of new jobs, the production of raw materials from recycling, aids to agricultural reform, and how environmental policy can help in the development of new technologies, the part it plays in competition, in shaping living conditions, in relations with the third world, surely we must say: environmental policy is an investment in the future and that is why we must also accept the appropriate financial follow-up measures.

I would say that beside measures to combat unemployment, environmental policy will be the most important issue in Europe in the future. So expenditure on it would not just disappear somewhere into a bottomless pit but actually represents payment into an interest-bearing account. Moreover, we can also free the national budgets of the equivalent amount, for whatever we do at European level is cheaper, faster and more economic. So we would actually ease the burden on the national budgets. I believe that Europe and a clean environment belong together! So what is good for environmental policy is also good for Europe. We as the European Parliament should bear this in mind more clearly and reinstate the old appropriations in general. If the Council cannot understand this historic and political dimension, that is its affair. We know what we have to do!

## IN THE CHAIR: MR LALOR

*Vice-President*

**Mr Roelants du Vivier (ARC).** — (FR) Mr President, ladies and gentlemen, a lick of green paint on our chimney pots — that is the image which public opinion has of the Community's environment policy, and it notes with sorrow that one of the basic questions of our time is relegated, as far as political will and budget endeavour are concerned, to the rank of a secondary concern. Mr Muntingh has just noted this too.

The phenomenon of acid rain, pollution by radioactive waste, the death of rivers, poisoning by pesticides or toxic residues — so many areas in which governments have not taken the initiative but have been forced to act under pressure from justifiable public alarm. When they have acted, that is! In fact, token gestures and fine words are the usual response of the public authorities to environmental matters.

Ecologists are determined to change this unacceptable approach. Whether at local, national or European level, they seek to bring about an environment policy which is preventive, integrated and one of involvement. This means, firstly, that prevention is better than cure and that priority ought thus be given to measures along these lines. Environment policy should also be integrated, that is to say, not dealt with separately from economic or social policy, since it can and should form a revitalizing part of these policies.

Finally, and this goes without saying for ecologists, it must be a policy of involvement. It must be implemented through consultation and agreement with users and, in particular, with public pressure groups.

It is with these principles in mind that we have tabled amendments to the Council's budget draft, and we shall also support all the amendments tabled by the Committee on the Environment, Public Health and Consumer Protection, together with those by the political groups and by individuals which follows our line of thinking.

For our part we have sought to obtain resources wherever they might be found. We thus propose that the supplementary expenditure set out in our amendments should be financed by a modest tapping — less than 7.5 million ECU — of commitments under the item 'nuclear fission' for which 98 million ECU are earmarked. Adoption of our amendments would beyond doubt lead to a marked change in current environment policy, which rather reminds one of the Echernach procession in the Grand Duchy of Luxembourg, where the dancers advance by taking two steps forward and one back. Our amendments are aimed in particular at obtaining means worthy of the name to promote clean technologies, for jobs created by an

environment policy, for measures to reduce and eliminate toxic wastes and to combat marine and river pollution. There is also an amendment which we hope will help to correct an injustice: whereas one specific item earmarks 450 million ECU for the Consumers' Association, nothing is done for the environmental groupings which ought to be treated in the same way.

The European Community's environment policy has ground to a halt. Worse than that, it has not actually got off the ground. Even the majority of the Committee on the Environment, Public Health and Consumer Protection accept the cuts in appropriations compared with the preliminary draft. We believe that this does not reflect the wishes of public opinion, Mr President, ladies and gentlemen, and we shall vote accordingly.

**Youth, Culture, Education, Information and Sport**

**Mr Papapietro (COM), rapporteur on youth, culture, education, information and sport.** — (IT) Mr President, ladies and gentlemen, in recent years the European Parliament has been extremely active in the cultural sector, as has been recognized by the EEC Commission and the Council, and as was reflected in the 1984 budget.

In November 1983 the European Parliament adopted a programme, contained in a statement by the Commission, for strengthening Community action in the cultural sector, hoping for an appreciable increase in the financial allocation. But the Commission, bearing in mind the difficult budgetary situation, proposed the same budget item for 1984, namely, only 340 000 ECU.

The Committee on Youth approved this figure and agreed to stay within it, but the Council has proposed a very serious reduction in it to 150 000 ECU, reducing the appropriation for this activity by no less than 190 000 ECU, which is over half the 1984 figure.

The Committee on Budgets, which was obviously not in possession of sufficient information — despite the opinion of the general rapporteur, Mr Fich, in favour of the amendment of the Committee on Youth — approved the Council's cut, contradicting what the European Parliament had announced precisely a year ago. If this cut were to be confirmed, the entire cultural programme would fall apart.

In effect, the normal cultural programme of the Parliament and the Commission is directed at the vocational training of cultural workers if the field of cultural action were not enlarged? It would only be adding fuel to the tendency to swell the numbers of the increasingly highly qualified unemployed.

In the view of the Committee on Youth, therefore, the European Parliament cannot provide itself with an



### Papapietro

Article 671 and then let it die the following year. It cannot make generous room for support for minority languages, and then delete that item's budget line, nor can it prevent — by dropping item 6702 — the European Community's Youth Orchestra, which is the pride and joy of this Community, from completing its Easter programme in Europe, in a year which this Parliament has nominated as 'European Music Year'.

We have often been concerned with the cinema in this Chamber. Well, the European Cinema Festival, which took place in Munich and will be held next year in Lille, and which aims to defend Europe's cultural identity against invasion by great monopolistic distribution concerns from outside Europe, 'can no longer be financed' — to quote a resolution of this Parliament — if the committee's amendment to Article 671 is not carried.

Do our German and French Members, in particular, know what this would mean, seeing that the Festival, which alternates between Munich and Lille, is to them a source of pro-European pride?

The solemn Stuttgart declaration itself would have no cultural counterpart if these three essential points — the promotion of cultural action, the youth orchestra, and support for minority languages — were deleted from the budget.

I therefore ask Members, on behalf of the Committee on Youth and Culture, to support these three amendments tabled by the committee, out of respect for what the European Parliament has promoted and supported in recent years in the field of cultural action, which has the smallest budget of any of this Parliament's committees and which has a very worthy part to play in the cultural structure of this difficult Europe.

**Mrs Seibel-Emmerling (S).** — (DE) Mr President, ladies and gentlemen, it is not long since the elections, elections which have taught us not only that we must stand up for our own ideals, for the objectives of our political parties, but that above all we must teach the basics of the meaning and object of this Community, that we must also be conveyors of information in what so far has been the sadly neglected information policy of the European Community as a whole.

Unfortunately there was hardly any evidence of the citizens' knowing anything about the Community, of a cultural identity perceptible to each individual or, sad to say, of any sense of hope in Europe among the young, a hope which one can only feel when one has come to terms with this Europe and learnt to accept it with all its faults and weaknesses, but also with the strengths it can offer, because one knows something about it.

We did not come across any of this. What we did find was lack of interest, resignation embedded in butter

mountains. We Members tend to feel almost the same resignation, the same sense of negation, when we look at this budget job by the Council. We must all ask ourselves — as the citizens do, or at least should do if they still ask us anything at all, how all this is supposed to hang together. We keep hearing grand speeches and solemn declarations and then we and other bodies, which the ordinary citizen cannot tell apart anyway and simply lumps together, decide on programmes, awaken expectations among the citizens, only to dash them to the ground with a budget of this kind. That is what has happened to this European Community; that is the financial reality, a reality for which the Council is responsible and of which we cannot exonerate it. How do you tell the citizens of your region that 1985 is international youth year, as decided by Unesco? Surely that is something the European Community, which from the outside seems such a wealthy part of the political system, must participate in. So how do you tell the citizens of your region that in our case this youth year relates to young people, many of whom are unemployed, some of whom are disillusioned and many of whom will, unfortunately, probably be vulnerable to Pied Pipers of all persuasions? How do you tell them that this budget does not care at all for young people?

The Council does not care about the young people of Europe; we must care, unless we all want to pay for it one day, because this misconceived attitude may have dramatic effects.

The Council also fails to provide information to the people. We must maintain the flow, and in fact increase it. That is why we must increase item 2720. But we also need to be forward-looking. If we do not want to be exposed to a host of private offers in the television sector, we need preliminary work, European experiments with programmes, so that we will not be horrified in 1986 to find a television satellite that is closed to us, that operates without us. That is why I appeal to everyone, including my own group, to reconsider item 2725. Giving in to those who jealously try to maintain national monopolies could have very bitter consequences. We must protect ourselves jointly. I ask you, and I am doing so specifically on behalf of my group, also to increase Article 636. 25 million citizens of the Community, who feel and think in minority languages, who live in them, need our help. They must not be disappointed.

Before the end of this week I as rapporteur will submit to you a report on the exchange programme for young workers in the Community, which it is urgent to extend also to the young unemployed. That is a programme which is specifically embodied in the Treaty; and yet it is lingering on with shamefully few resources. We need money for it, well-invested Community money, money invested in the Community's own future. Only with mutual respect and tolerance, only if we get rid of prejudice, which we can do by improving our knowledge of each other, can we move into the future.

**Seibel-Emmerling**

These budget debates, which I have attended since 1979, sometimes look rather like a pleasant annual meeting at the Wailing Wall. But pleasant annual chats at the Wailing Wall are not enough for our survival. These debates are the moment when Parliament must assume its responsibilities, when it must unfortunately fight the Council, and fight it resolutely, for the future of the Community. Without these young people who are being so neglected, without informed citizens, in the absence of any cultural substance, the Community will have no future.

**Mr Brok (PPE).** — (DE) Mr President, honourable Members, what the Council's draft has made clear in the last few days and weeks is the complete lack of ideas on the part of the Council and the short-term nature of its budget policy, a budget policy full of tricks to conceal the infringements of budget transparency, honesty and annuality.

What we are faced with is a 10-month budget, with the Council often refusing anything over and above it, although the budgets makes provision for creating the necessary legal bases for this. What we are faced with is that rebates for the United Kingdom and Germany are to be found by adjusting revenue, in order thereby to undermine the European Parliament's budgetary rights, and that even if budget resources are available and the necessary legal conditions are also satisfied, the Commission simply does not spend this money, perhaps in order to finance other things with it later.

I do not think that is a basis on which Parliament can for long work together in trust with the Council as the other budgetary authority. It also reflects the pettiness of the Council's policy, often endorsed by the Commission. When we see how we are losing the fight against unemployment, and especially against youth unemployment, because of the Council's failure to act, and see the future of Europe being gambled away in the absence of a common research and development policy, and the politically necessary accession of Spain and Portugal falling foul of olives and relatively low costs, we must ask ourselves what historians are likely to think of this Europe fifty years hence, how they will judge these wrong decisions, and we will realize that indeed we did not recognize the tasks of the present and the future.

This is especially true, and here I agree with what Mrs Seibel-Emmerling said, of the youth question. Surely we must realize that if we want to build up this Europe we must gain the sympathy of the citizens and especially of young people for it. The main reason why the impetus for closer European integration tends to result in increasing nationalism is surely that the experiences of the war generation who saw the need for Europe after the war have largely been forgotten. That is a normal process, and we can only make up for it now by promoting sensible information on Europe and the training of young people in the spirit of Europe.

Unless we set this process in motion now, no-one will be able to do it.

When I think that the Council is making deletions in that specific field, i.e. on items some of which Mrs Seibel-Emmerling has mentioned, in the field of information to the public, of training young people in the spirit of Europe and of youth exchange programmes, I must say that a great deal of future potential is being squandered. Surely it is easy to see that money spent on youth exchange programmes and on educating young people in the European spirit is a better investment than money spent on tanks, for if we bring young people together in this way, they will never again make war on each other. That is the lesson of the Second World War and that is the basis on which we can build a sensible peace policy. It is an investment in peace in Europe. So there is no point in considering whether 50 000 or 100 000 ECU more or less can be taken away, perhaps to finance another policy for olives or another dairy policy.

The same applies to the European television sector, where we are about to waste a major economic opportunity and a great opportunity to develop a sense of Europe. Developments are moving at top speed, and yet we find that once again the national states are working separately and that, thanks perhaps to the facilities provided by a small state like Liechtenstein, American firms could determine the media policy of Europe by satellite television. Yet we are not even able to put a token entry or whatever in the budget in order to make progress in this area. If we really make no headway with a European programme in the next two or three years, we will find we have missed the boat and lost out. The cuts of up to 50% made by the Council in the fields of information, innovation and specific development measures are a sign that the Council is at a loss and show that it cannot make up its mind to take the necessary decisions for the future of Europe. If the Council does not prove willing to compromise, we will be obliged at the second reading to take a very clear position and force the Council into a new controversy, which may also include the instrument of rejecting the budget.

(Applause)

**Development and Cooperation**

**Mr Saby (S), rapporteur on development and cooperation.** — (FR) Mr President, ladies and gentlemen, our institution has claimed development and cooperation policy as one of its fundamental priorities. It should be stressed here that the Community as a whole is the only multinational grouping in the world to have an exemplary record in this field. Unfortunately, this exemplary record in world terms does not at present enable us to achieve much, for although we have great ambitions and concrete objectives, current budget con-

## Saby

ditions mean, regrettably, that we cannot achieve them, even in part.

The Council's budget proposal is in no way consistent with the Community's agricultural policy or with anything which features in the Treaty of Rome and in reality. Today, however, this development and cooperation policy is a necessity, and if the budget proposals do not measure up to our objectives, neither do they measure up to present-day reality. When we think what is happening today in Africa, with this dreadful famine — to mention just Ethiopia — we see what the Community's role, its fundamental role, ought to be. But, as I say, the terms of the budget are such that we cannot provide a more concrete response than the one we are currently providing and which is yet so necessary.

However, the Committee on Development is aware of these facts and has attempted, in the opinion I have put before you, to pinpoint priorities, matters of greatest concern, and we have proposed a number of amendments to Chapter 9 which we consider to be extremely reasonable and realistic. Elsewhere, we are happy that the Committee on Budgets, in its wisdom, has accepted all the amendments tabled by the Committee on Development.

And so, Mr President, it is my fervent wish that tomorrow this Assembly should restate its priorities as regards the Community's place in the world and its role *vis-à-vis* the poorer countries and those which are suffering the greatest economic hardship. We also hope that this House will give overwhelming support to the amendments tabled by the Committee on Development and Cooperation.

Mr President, much has been said about this budget since yesterday. Certain realities have been restated, and a situation of some conflict is developing. I believe that our Institution, in its wisdom, should take due account of this absolutely vital dimension embodied by the Community's policy towards the developing countries and, in particular, its policy of development and cooperation.

**Mr Cohen (S).** — (NL) Mr President, on behalf of the Socialist Group I should like to begin by saying that we fully endorse the amendments to the draft budget that have been tabled by the Committee on Development and Cooperation. We would go even further than it has done. We also agree with the opinion that has been expressed on these amendments by the Committee on Budgets, which has approved almost all the amendments proposed by the Committee on Development and Cooperation. This is hardly surprising, since Parliament gave priority during the debate on the budget to the fight against unemployment and the fight against hunger in the world. Having said this, I immediately face a problem.

The Council, in its wisdom, is also aware of Parliament's priorities. And for the last few years it has reduced the very items of the Commission's draft budget which it can be almost sure Parliament, wanting to abide by its priorities, will reinstate. This is an oppressive procedure, and it is a problem that is taken up by Mr Fich in paragraph 19 of his motion for a resolution.

On behalf of the Socialist Group, I should therefore like to make it clear that this game cannot go on much longer, that the Council cannot count on us to put things in order when it reduces items. The Council will have to stop thinking in this way before long because we could, of course, use a different tactic. Not because we believe unemployment and hunger in the world are not major problems, but because we do not intend to go on dancing to the Council's hideous tune.

I now come, Mr President, to a number of items in this budget which I and my group consider essential. I will begin with a brief comment on Article 958 of the budget, because both the Commission and the Council must be criticized here.

The Council has not, of course, increased the appropriation for this article because the Commission did not even propose it, and the Commission should be more than severely censured for this omission. Article 958 concerns the special programme to combat hunger. It is an item which was first included at Parliament's insistence and on which the Council has adopted a regulation. This regulation remained in force for only two years, and it is simply disgraceful that the Commission should have the nerve not to try to extend this regulation and force the Council to include Article 958 again this year. We shall be debating Ethiopia tomorrow, and I will not therefore go into detail, but a situation such as exists in Ethiopia and in the whole of the Sahel region of Africa proves that we can probably go on for 50 years sending a little food aid and alleviating emergency situations if we intend to help overcome the difficulties. We should really be taking preventive action and trying to ensure that such situations cannot recur. And Article 958, this special programme, in modest form, of course, provides an initial opportunity for such action, which could eventually mean that we have to rely less on emergency aid. This is a very important matter.

The other amendments are those tabled by the Committee on Development and Cooperation itself. We fully endorse these amendments, and we hope that the Council will take our warning seriously.

**Mrs De Backer-Van Ocken (PPE).** — (NL) Mr President, the Council has dared to submit to us a much reduced budget for development and cooperation. It is thus clearly shirking its responsibility, and this at a time when such fine references are made to European responsibilities, as recently in Costa Rica.

**De Backer-Van Ocken**

Typically, the promise the Council made there on behalf of the Community is having to be translated into financial resources by Parliament.

A large-scale emergency aid operation has begun to help those affected by drought in Africa. The Community is rightly playing a part in this. But how are we ever going to make it possible for our fellow human beings in Africa to defend themselves against a natural environment that has become so hostile if we do not release resources for the structural policies?

In the amendments tabled by the Committee on Development and Cooperation the emphasis is placed on food aid: more suitable products (more cereals, fewer dairy products, more variation) and stricter controls on their supply, but above all scope in the budget for structural measures, where possible, in place of some of the food aid.

Irrigation, sprinkling, diversification, conservation, selection projects, water supply, housing, transport, education projects, but above all pilot projects that lead to self-sufficiency in food production and also projects which result in greater regional cooperation. This is absolutely essential, and resources must be provided for this purpose.

We hope that the budgetary authority will again take a step in this direction. The evaluation of aid efforts should not be cut back. On the contrary. In the future we shall also have to consider the structures within which this evaluation takes place. We fully support the proposal for a second budget line for the extremely valuable activities of the non-governmental organizations in addition to the present Article 941. I would also mention the importance of various items that can be placed under the general heading of 'education and training'.

I hardly need add that we also advocate the continuation of the special programme to combat hunger in the world.

If the joint line taken by the Committee on Development and Cooperation and the Committee on Budgets — and I am glad to say this joint line has been taken — receives the necessary support in the House, a great deal of the damage the Council is intent on doing to the Community's development policy will be prevented. A great deal, but by no means all the damage. And in view of the growing needs and the many opportunities for providing effective aid, a limited result such as this is no reason for celebration.

If we consider the budgetary trend in the Member States, we can but again ask how the Community will honour its commitment to devote a given minimum percentage of its prosperity to development cooperation. At present, not even 4% of the budget is spent on development activities. We still have a long way to go

before we reach the 0.7% of the Community's gross national product that was promised so long ago.

This debate is further proof that it is not Parliament, the elected representatives of the people, who are preventing this promise from being kept. We therefore expect this Parliament to approve the amendments that have been tabled by the Committee on Development and Cooperation.

Finally, I should just like to say that it is unacceptable that the failure to spend certain monies in 1984 should be taken as an excuse for reducing the payment appropriations for 1985. That would be turning the world upside down. The legislation and procedures must be adjusted to enable the monies that have been approved to be spent in time and to prevent the granting of food aid from being delayed until September, as has happened this year.

**President.** — I would remind the House that the debate must be concluded by 7 p.m. I would therefore urge the remaining speakers to adhere closely to the speaking time allocated to them. Indeed, if any speaker wishes to conclude his speech before this time is up, he has the Chair's full permission to do so.

*(Laughter)*

**Mr Christopher Jackson (ED).** — One of the greatest successes of the 1979 Parliament was its report on world hunger, which made realistic and practical suggestions for bringing more effective help from the European Community to those who suffer from lack of food. It is an appalling fact that, despite the advances in world technology, plant technology and agriculture, the number of people in the world suffering from absolute hunger is still increasing. Indeed, it is estimated that 500 million people are hungry at this moment. It is, therefore, right that this 1984 Parliament should continue to emphasize the role of the European Community — indeed of the world community — in combating world hunger.

People have been stirred by the agony and suffering in Ethiopia. Naturally our constituents ask us what more we can do to help, and at this point I pay tribute to the Commission for its foresight in providing additional emergency funds as early as April of this year for famine in Africa and for proposing the additional 30 million ECU of emergency aid within the last few weeks. But I hope that Parliament will be in no doubt at all about the advisability of accepting the amendment to increase the provision of funds for disaster aid by a further 8.5 million ECU.

To those who wonder whether this would be enough, I add that we rely also on the undertaking of the Council of Ministers to provide additional funds if necessary. In many countries of the European Com-

**Christopher Jackson**

munity people have been affronted by the spectacle of European stores of grain overflowing to such an extent that they are an embarrassment while men, women and children starve to death in Africa. Many of us admire the effectiveness of the aid charities, such as Oxfam and Save the Children Fund, in getting emergency aid direct to the starving. It is for this reason, Mr President, that my group has proposed, with the support of the Committee on Development and Cooperation, the institution of a new Article 951 to enable the European Community to co-finance with the aid charities purchases of grains from our surplus stocks. We have asked for a modest 5 million ECU on the basis that this could be used to give a 25 or 50% discount to aid charities purchasing our surplus grain. I would add that Parliament must certainly reject, this time above all, suggestions to cut our funding of the aid charities, the NGOs. Instead we must review the conditions for our cooperation with them in order to reduce the amount of red tape.

But, Mr President, while we rightly respond now to the starving, we must not forget those destined to starve in the future unless we attack the cause of the problem. The vital aim to which the long-term plans of African countries — and indeed those who wish to help them — must be directed is that of increasing local food supplies. For example, food production per head compared with 1970 is up 26% in my own country but down 27% in Mauritania and down 18% in Ethiopia. The concept of food strategies with which we help African countries to help themselves is vital and must command a greater share of our resources, mainly of course from the new Lomé Convention.

Mr President, I must briefly touch on one other vital factor, and that is that food available per head depends not only on the amount of food grown but on the number of mouths there are to feed. I had the honour of representing Parliament at the International Conference on Population earlier this year, and there was no doubt in the minds of all the nations there represented that to curb uncontrolled growth of population is of enormous importance. That is why I hope all who care about eliminating hunger will support our amendment seeking to put a modest amount in a fund for examining demography.

Finally, Mr President, for years DG VIII has been damagingly understaffed, and I would also ask the indulgence of this House for an amendment by Mr Price and others increasing Commission staffing by 80 posts and giving pride of place in that to Development.

**Mr Trivelli (COM).** — *(IT)* Mr President, I should like to make a statement, prior to the few things that I have to say on the section concerning development. We have been informed that yesterday evening the Council approved a serious document on the budget, which, according to the comment made to the Italian Members of Parliament a few minutes ago by the Ital-

ian Minister responsible for relations with the Community, apparently deprives the Parliament of all power where the budget is concerned. Since we do not know the text of this amendment, I would ask Mr Cot to obtain a copy for us and, if it seems appropriate, to call an extraordinary meeting of the Committee on Budgets and inform the chairmen of the groups, so as to see whether a political response can immediately be given to this document which, according to Mr Forte, is of so serious a nature.

The section on Development in the budget presented to us by the Council serves only to worsen and accentuate all the criticisms that have been made of the general character of the budget. If we look at Title 9, there are at least four criticisms to be made of this draft, and the same number should be made of the amendment lines. First, there is a reduction in expenditure on development, which everybody has calculated as being 26%. This is a serious fact that strikes at the heart of one of the aims of the Community, and which is equally serious and dramatic in the light of the explosion of the emergency, with all its problems. We propose that the appropriation for all the development policies contained in the last budget should be reinstated, adjusted suitably to take account of inflation.

The second criticism: the token entries for Chapters 90 and 91, which relate to the European Development Fund, have been eliminated. This appropriation has a political value, and for that very reason it is a serious matter that it has not been proposed again, because that shows the abandonment of any attempt to improve the quality of the budget.

The third point: the appropriations for food aid seem to be aimed for the most part at disposing of the EEC's food surpluses. In this connection, the commitment in respect of milk powder has been increased by 21 million ECU, and the commitment in respect of butter oil has been increased by 38 million ECU. We think this approach is wrong and should be changed, and that is the view of the entire Committee on Development and Cooperation. Not only should these items not be included in the budget, but the existing appropriations for butter oil and milk powder should be reduced, to release funds for the purchase of food such as cereals, rice and other foodstuffs.

Finally, the fourth point concerns the token entries for projects in place of food aid. Since this point was central to the philosophy of Commissioner Pisani, we were amazed to find that the proposal, to include only token entries in respect of projects in place of food aid, should have come also from the Commission, and not just the Council. We think, therefore, that the Committee's proposal to make a substantial appropriation for projects in place of food aid should be supported.

I should like to make three further points. Nothing is included in respect of aid to non-governmental organ-

**Trivelli**

izations; we, on the other hand, propose that there should be a substantial appropriation.

There is one new feature in the budget, even though it is only indicative and inadequate in nature — I refer to the appropriations for Latin America. After the Conference in Costa Rica, and the recent dramatic events in Nicaragua, the fact that the European Parliament should show a financial commitment to Latin America is of very great value, and we think that this appropriation should be implemented and indeed strengthened.

Mr President, I should like to draw attention to two facts that are not immediately connected with the budget, but which should have our attention. The first is that we must take action through all available international channels to change the general lines of economic policy and relaunch the North-South dialogue. The second is that we must greatly increase emergency aid. Today — I think — there was to have been a meeting in Brussels between Commissioner Pisani and the governments of Member States. I should like to ask the Bureau, or the representatives of the Commission, to inform us what decisions were taken, so that we can make our contribution more effectively.

**Mr Heinrich (ARC).** — (DE) Mr President, in the past this Parliament and the Committee on Development and Cooperation have always taken the view that the non-governmental organizations in the Third World have done good work — in terms of measures to combat hunger, medical care, schooling, and training. But now this view, and the repeated declarations that priority must be given to aid to the non-governmental organizations, are to end in the appropriations for these organizations being cut down *vis-à-vis* 1984.

We think we must ensure at least a relative stability in the activities of these non-governmental organizations. That is why we say that if appropriations are not increased in a situation where hunger is reaching dramatic proportions and the number of refugees worldwide is rising, they must at least remain at the 1984 level. Our draft amendment proposes that the appropriations in Article 941 of the draft budget should be increased by 5 million ECU for commitments and 15 million ECU for payments.

Everyone here knows that governments are in many cases the worst possible recipient of development aid. May I remind you of the corruption in many Third World countries, where development aid never reaches the areas it is intended for. Two weeks ago the European Parliament granted the government of El Salvador emergency aid of 3 million ECU, among others for infrastructure measures. Does no-one here know that there is a civil war in El Salvador? Does no-one here know that government troops are shelling civilian targets? Does no-one here know that human rights are constantly being violated in El Salvador?

May I also remind you that bilateral aid is increasingly often being given for political motives and made conditional on the recipient governments behaving properly. I also remind you that economic interests are becoming ever more closely bound up with development aid, which quite often becomes an instrument to boost the exports of the donor countries' industries. The non-governmental organizations cannot be used to promote these interests. That is why we should at least make sure that they can continue their activities on the same scale as before. However, Parliament should call for more exact information about who and what specifically is being financed from this overall amount.

**Mr Tortora (NI).** — (IT) The Radicals have asked to speak in order to give their views on the budget. They would have done so more willingly if this draft which the Council has submitted to us in such glowing terms were really a budget.

Instead, it is quite a remarkable document — one born of uncertainty, embarrassment and uneasiness; the kind of behaviour adopted by some firms when they are on the wrong foot with the tax authorities — in the wrong where the figures are concerned, they then resort to words.

It is also a budget that is full of witty devices: it asks us to economize, but without telling us where; it hopes for new expenditure, but without telling us what we shall use for money; and, in order to balance the books, it even goes so far as to reshape and upset the solar year, cutting it from twelve to ten months. 'We are obliged to do this', the President of the Council told us this morning — and there is no reason to doubt what he says. But we must be clear: this Parliament cannot for one moment be obliged to go on eternally adopting additional budgets, supplementary budgets, budget entrails and budget appendages, *per saecula saeculorum*.

And the Parliament is very right to stand firm against the Commission and the Council on this important matter of principle. A budget, to be a budget, must first and foremost be worthy of its name — otherwise, it is rejected.

The Radicals, therefore, will do all in their power, using their vote, to ensure that this document is improved at all those points — and they are very numerous — where improvement is necessary, and to ensure that some, at least, of the contradictions that it contains, and which are such a deplorable feature of it, are removed, if it is not possible to remove them all.

As Radicals, however — and I wish to say this before coming to the specific point that concerns us more than all others, which is the reply that Europe ought to give today, and is not giving, to a continent condemned to death by hunger — we again condemn cer-

### Tortora

tain serious, significant distortions in the relationship that exists between those who elected us, on the one hand, and the actual chance that we have of making their voice heard here in Strasbourg, on the other.

You know, anyway, what our views are on this subject — there is nothing new about them. Between Parliament, as a collective, supranational institution, and the Member of Parliament as an individual, there now stand — like an all-consuming disease — the political groups.

The groups — this new Moloch, this Leviathan which not only organizes but paralyzes — have in fact become the bosses controlling the administrative and political management of this Parliament. The Radicals, who do not belong to any group, sometimes have a feeling of not existing, even though there are those, in Italy, who have been thankful for their existence. But it becomes absurd when the Radicals are excluded, for example, from the very joint committee that deals with those matters to which, for five years now, we have devoted ourselves with absolute priority — and I refer to extermination in the world, through hunger, and underdevelopment.

What I referred to earlier, then, has recently come to light: Europe has discovered to its horror, but through television and the media, the drama of the Ethiopian famine. Our dinner tables have been poisoned, in our own countries, by those atrocious pictures. A few Members have rightly called for a debate, as a matter of urgency, on Ethiopia. We shall see: the group chairmen will decide.

And so it is once again the Radicals — who do not constitute a group — who are reminding you that, where this problem is concerned, there may be a great many people calling for urgency, but they are very very late historically: we have been fighting to get something done about this tragedy for years and years. And it is pathetic — yes, you have to let us say this — to see the way in which it is only the very presence of catastrophe, the emergency of a drama, that has the power to capture people's attention and touch their sensitivity — not any intention of curing the problem at its very deep-set roots.

And here we have Chapter 9, the one about expenditure to aid newly-developing countries. This year again, like last year, the proportion which this chapter represents of total expenditure has diminished. Is that a sign of the reversal of a trend, where aid from the rich countries to help the poor ones is concerned? Is it, perhaps, a sign of the inability of those in the Commission who are responsible for this sector to make the maximum possible use of the available resources?

We are not talking at random. For the first time this year the Commission is proposing to separate, over two years, the appropriations for food aid, seeing that it has been realized that, in this sector — which more-

over does nothing except distribute the farming surpluses of green Europe — on average 500 days elapse between making the appropriation and the effective arrival of the aid in the countries for which it is intended. I repeat — 500 days . . .

*(The President urged the speaker to conclude)*

We have presented two amendments to the Commission's budget which are unique, and differ from the others by the effort they make really to do something more to tackle a crisis — the Sahel crisis in Africa — which cannot be solved with either rebates or improvised food aid.

**Mr Simons (S).** — *(DE)* Mr President, Title 9 of the budget is the real expression of the Community's responsibility towards the outside world, to combat hunger, underdevelopment and social injustice on a world scale and to reduce conflicts that are a threat to peace.

This year the situation is especially dramatic, as nearly all the Members who spoke before me have pointed out. What is so threatening is that it is to be feared that the disastrous famine in Ethiopia and the Sahel has not even reached its height. The situation is depressing in other Third World countries too. To help them, we need special resources. But it is precisely in the 1985 budget that the Council has deleted disproportionate amounts, and now it is up to Parliament clearly to announce its will. The Committee on Development and Cooperation has put forward carefully considered proposals for increases, which my group fully endorses. So we call for an extra 151 million ECU in commitments and 139 million ECU more in payments — to improve development cooperation.

These amounts are for more food aid, emergency aid, aid to refugees and above all a different, improved form of food aid, for instance on the basis of cereals instead of skimmed milk deliveries, of triangular transactions, i.e. buying up stocks in neighbouring, better-situated regions; they are for medium-term preventive measures, especially for promoting long-term self-reliance. We propose more for the non-associated states. This also includes the 20 million ECU for Central America, supported by the Committee on Development and by our group — allocated on a precautionary basis, since they are not yet programmed by the Commission and not even mentioned by the Council, although recently promised in Costa Rica — pending the signature of a cooperation agreement for 1985. Much more is allocated for the non-governmental organizations, whose irreplaceable and valuable aid we are now especially aware of, during this disastrous famine.

Parliament's political will is expressed in the budget. Where the Council fails to act, Parliament must show in its place that the Community was created primarily to spread more peace in the world. How much we put

**Simons**

down for development cooperation is the test of how serious we are about this. Making financial aid available now is one aspect. The other is also to use it to create the policies Parliament wants. We will have to urge the need for implementation even more persistently and we will have to monitor whether and how the Commission spends the allocated appropriations.

The European Parliament has always made very practical demands. Its refusal to discharge the budget for 1982 — partly because of the inadequate implementation of food aid — was a signal which we hope the Commission takes seriously.

During tomorrow's vote we must adhere to the decisions of the Committee on Development and also of the Committee on Budgets. We must obtain the required 218 votes for all draft amendments relating to development cooperation — I am asking you that here and now. I appeal to your solidarity and your patience and perseverance tomorrow in the Chamber.

*(Applause from the left)*

**Mr Vergès (COM).** — *(FR)* Mr President, in the context of the budget debate I should like to tackle the complex and often vexed question of food aid.

The Council is preparing to make a 27% cut in appropriations for food aid in the 1985 budget. At the same time, press and television are revealing to the European public the severity of a famine which threatens the lives of thousands of millions of human beings. Throughout Africa, primarily in the Sahel countries and above all in Ethiopia, millions of men and women are on the verge of death and tens of thousands of children have already died. This tragedy is the result not merely of the exceptional drought currently prevailing on the continent of Africa, which is one of several aggravating circumstances; it is the result of the very system of which Africa is historically a part.

A year ago in this same House, during a debate on a special plan of action to counter the drought in the Sahel, we reviewed the figures which the FAO had made public during its special session on Africa. One of our fellow-Members saw fit to claim that the situation was not as bad as we had described it. He is answered today by the tens of thousands who are dying along the roads and in the emergency camps in Africa. I remind you of this because we must have no illusions: the situation will get worse in the final years and decades of this century. The population of Africa was 220 million in 1950. It is 470 million today. Only fifteen years from now it will be nearly 900 million. But it would be wrong to think that this population growth is the essential cause of the present situation, for whilst population growth is slightly more than 2% a year in the Third World, the number of those short of food is rising at a rate of 10% a year.

And so, unless things change, our so-called cooperation and development policy will always go hand in hand with food shortages, malnutrition and famine. These things will, over the years, call into question the very content of this policy, the moral values of the West — which are, it seems, more and more exclusive to the West — and, finally, the very concept of the defence of human rights everywhere.

Those who have died of famine are the ultimate victims of underdevelopment typified by economies based on a single crop, which means that they are unable to grow all the food they need. They are the victims of falling raw material prices, of costly foreign loans, the victims of those on the spot who connive at this system with its endless policies of force, corruption and often of civil war.

**President.** — I am sorry, Mr Vergès, but your speaking time is up.

**Mr Kuijpers (ARC).** — *(NL)* Ladies and gentlemen, there is little to add to what previous speakers have said, except to take an alternative view of an area to which we send food aid. I will take as my example Eritrea and Ethiopia, an area in which a war of liberation has now been going on for a quarter of a century. Eritrea acquired its federative status on 2 December 1950 with the adoption of United Nations Resolution 390, and this status entered into force in Asmara at the beginning of 1952. This was done on the basis of the border that had been fixed between Eritrea and Ethiopia.

The present rulers, Mengistu and the Dergue, who are backed by the Soviet Union, do not recognize this division, even though it is governed by international law. In fact, while the people are dying of starvation, they are preparing for the eighth military offensive, in which they intend to bombard and recover the liberated areas of Eritrea and Tigre and all the agricultural land in this region. They are blocking food aid for military reasons, using it to depopulate these areas by enticing refugees into the areas controlled by the Dergue. As a result, the number of refugees in the turbulent Shewa area was 330% higher in October of this year than in June. The famine in Kembata and Hadya is worse than elsewhere.

With food aid that is not properly organized or controlled, we are sustaining this undemocratic process. Food aid is a weapon. From 1973 to 1982 the European Community sent 256 410 tonnes of cereals, 26 605 tonnes of milk powder and 9 855 tonnes of oil to Ethiopia, which has received 100 million dollars in 1984, 35 million from the World Bank and so on. The Eastern bloc countries have donated 15 million dollars but, like the Arab countries, no food aid.

In the evaluation they made of Community food aid programmes in June 1982, the Africa Bureau in Col-



## Kuijpers

ogne and the Institute for Development Studies referred to the absence of a central administrative body and of a planning and implementing cycle for the provision of food aid.

Apart from criticizing the misuse of food aid, we must ask: what progress has been made towards land reform in Ethiopia and with the irrigation projects? This year Ethiopia has exported 12 000 tonnes of tinned meat to Europe from the highland areas. I should like to know how the 90 million head of livestock and the growing of fodder affects the production of basic foodstuffs, including cereals. The Lomé III Convention provides for only 7 000 m ECU, a substantial reduction. We must therefore be more careful with expenditure than ever before. But what do we find? We find that the delegations who went to Ethiopia in July 1981 and June 1983 saw nothing. After two hours in occupied Asmara they noted that the region had been pacified. In March 1983 the *Sunday Times* proved that most of the cereals supplied by the Community in 1982 — 17 500 tonnes — had been used to pay for Soviet weapons. In March and April 1983 we ourselves collected enough sound and visual material to show that Community food aid is used by the army and the militias as a means of payment. But our delegations saw nothing.

They will not, then, have noticed either, like the rest of us, that the United Nations is holding 73 million dollars for the construction of a Congress Centre and that between 1 500 and 2 500 million Belgian francs was spent on the Labour Party's celebrations. The air traffic last week before the African Summit meeting stopped the transshipment of food aid in Addis Ababa, and quite a number of the 32 aircraft involved had to fly to Djibouti instead. You will all have heard the story about the whisky ship. In short, it is hard to reconcile parties, war and efforts to combat famine. Thousands...

**President.** — Mr Kuijpers, your speaking time is up.

**Mrs Focke (S).** — (DE) Mr President, honourable Members, this debate is being held at a time which particularly emphasises the European Community's outward responsibility for more justice and peace in the world.

Hunger in Africa or Nicaragua — those are keywords for developments which force the Community to act. Title 9 of our budget provides better financial answers than any urgent debate to the problems these keywords stand for: for a policy of rural development, of self-reliance, of better food aid, of more effective emergency aid — as an answer to hunger —, for development cooperation between the region of Europe and other regions of the world, e.g. Central America, in order to lessen the sources of conflict in the world.

The Committee on Development and Cooperation has tried to uphold the European responsibility, unanimously on the whole, as regards the 1985 budget and as regards Lomé III — which unfortunately does not yet figure in our budget. It thanks the Committee on Budgets for endorsing almost all its amendments. The Council is saving in the wrong places, like a penny-pinching grocer, on the backs of the poorest, the starving, at the cost of Europe's mission to ensure peace. I am glad the European Parliament is assuming its responsibility by clearly continuing to give priority to development aid. It has always presented aims, demands, practical measures; it has showed that it is willing to make available from its limited means the resources needed to fulfil this responsibility. The committees have taken the right road.

Now it is important for the Members of the European Parliament to have the patience and endurance to remain in their seats tomorrow until the end of Title 9 and to raise their hand at the right time!

## Women's rights

**Mrs De Backer-Van Ocken (PPE), rapporteur on women's rights.** — (NL) Mr President, ladies and gentlemen, the Committee on Women's Rights applied three rules of thumb when drawing up and adopting its amendments:

First and foremost, it felt that the amounts proposed by the Commission should at least be reinstated if they were drastically reduced by the Council.

Secondly, after consulting with the Committee on Social Affairs and Employment and the Committee on Youth, Culture, Education, Information and Sport, the Committee on Women's Rights decided to align its amendments with these committees' priorities.

Thirdly, turning to its own priorities, the Committee on Women's Rights has called for increases in a number of items to which it attaches particular importance.

The amendments it has proposed have on the whole been favourably received by the Committee on Budgets. The appropriations for information were increased, and it was explicitly stipulated that 500 000 ECU would be set aside specifically for information to women. Appropriations for education and training were increased, with particular reference to the new technologies. Increases have also been made in the appropriations for action to ensure that men and women enjoy equal rights and for action in favour of the family and family organizations.

Unfortunately, the amendment which proposed a 50 000 ECU increase in the appropriation for the study of social security was not approved. But we hope the House will correct this mistake tomorrow.

**De Backer-Van Ocken**

The Committee on Women's Rights should therefore be happy with the way things have gone. It did not, of course, expect anything different of a Parliament which has helped to make society a juster place for women in Europe through its support for the three major directives on women's rights. But if we wanted to be mischievous, we might, of course, ask whether there is not a causal link between the modesty of the amounts we have requested and the goodwill that has been shown us. We believe this view is justified when we consider the history of the Social Fund amendment.

The Committee on Women's Rights justifiably believed — like the Committee on Social Affairs and Employment — that the payment appropriations for the European Social Fund should be increased. This fund has after all played a vital role in reducing youth unemployment and in the fight against the high rate of unemployment among women.

All these Social Fund projects are particularly important for people who are preparing for working life, changing to a different occupation, adjusting to constantly changing social needs or adapting to the time when they will stop work. And this is not only economically and socially important: it also makes people feel better in a more harmonious society.

But, despite these benefits, what do we find? The Committee on Budgets agrees with the Committee on Women's Rights that there should be a fair distribution between men and women in the Social Fund, in terms not only of the number of people concerned but also of the volume of resources set aside for them.

The increase in the payment appropriations was not, however, approved, or at least the increase approved was far too small. Even the compromise proposal made by the general rapporteur, Mr Fich, was rejected. And what are the arguments advanced to justify this stinginess, which will result in excessive tension between commitment and payments? The Commission says: we cannot spend the money, we already have too much money for this item. Even the money set aside for 1984 will not all be spent.

This makes us really furious. If we go out and look at all the interesting projects and ask if they are receiving the necessary resources in time, we find this is simply not true. Why is this? Primarily to blame is the legislation, which has not been properly adjusted. The Commission last promised an adjustment in October 1983. It was not made until December. The submission of applications for projects was consequently delayed from December to March. The Commission gave an assurance that it would issue authorizations in July with retroactive effect from 1 January. These authorizations were not issued until August and, as a result, the first payments could not be made until November. This obviously meant that various projects had to be abandoned, chief among them projects in favour of

women, because the banks probably do not consider them as creditworthy as other projects. But it is unacceptable that this should be taken as an excuse to reduce the payment appropriations.

**Mrs Van den Heuvel (S).** — (NL) Mr President, the equal treatment of men and women is one of this Parliament's favourite subjects. Everyone remembers the great debates in 1981 and in January of this year. In 1982 the Council approved a programme of action to improve the situation of women. Three directives are in force, and there are another six to come. And at the last part-session we considered the recommendation for positive action in favour of women.

It thus seems that the European Community generally and this Parliament in particular have realized that there must be an end to the unequal treatment of men and women, which is almost as old as the world itself. We do not need to congratulate ourselves on taking this action. Half the people in the European Community are still denied certain rights, and if a social group other than women had been concerned, a great deal more noise would have been made. In this Parliament we have repeatedly called for an end to this discrimination. But, Mr President, this injustice will not end with the adoption of resolutions and fine words. We all know that policy lacks substance until fine words are translated into down-to-earth budgetary figures. The Committee on Women's Rights — which has the support of the Socialist Group, on whose behalf I am now speaking — has therefore tabled a number of amendments to the 1985 budget. I should like to say a few words about these amendments.

I will begin with the information policy. We find it very unfortunate that the general public know so little about the work that is done in this Parliament. This is particularly true of activities relating to women, because the media tend to find policy on women less important than other political issues. There is every reason to develop a good information policy. But, Mr President, it will not fall out of the sky. Money will be needed.

Secondly, the Social Fund. The Social Fund was established mainly to help underprivileged people, and women are more likely to be found in the underprivileged groups of society than men. Clearly, something must be done about this too, because in any social group women are always worse off than the men in that group. Amendments have therefore been tabled on the fight against unemployment among women and the fight against unemployment among people under 25. As you know, Mr President, women usually have to interrupt their careers and therefore cannot start making a career until they are somewhat older.

I have a few words to say about the staffing of the committee secretariat. There are various stories in circulation about officials who do not work very hard,

**Van den Heuvel**

and European officials feature in such stories more frequently than national officials. I am not in a position to check the reliability of these stories, but I can say one thing: the staff of the secretariat of the Committee on Women's Rights work extremely hard, but they simply cannot cope with what this Parliament expects of the committee. The numbers must therefore be increased. The Socialist Group fully supports this proposal.

Finally, I have heard such words as 'bewildering', 'unacceptable' and 'irresponsible' here today in connection with the Council's behaviour. I might use the same words in this context. A Council which approves a programme of action for women and substantially reduces the budget item for equal opportunities for women is not translating its fine words into deeds. And the European Parliament will, I am sure, oppose this kind of cheap policy. The Committee on Women's Rights has been extremely modest in its requests — that is perhaps a regrettable quality that women have. Mrs De Backer-Van Ocken has already referred to this. I will give you just one example. The slaughter premium for unhealthy cattle costs more than the whole of the policy on women in the European Community. I very much hope everyone will bear this in mind during the voting tomorrow.

*(Applause from the left)*

**Mrs Lehideux (DR).** — (FR) Mr President, ladies and gentlemen, the Group of the European Right would like to see a new budget line devoted to a Community family policy, aimed principally at stemming the grave population crisis caused by the falling birthrate in our country and Europe as a whole. We have heard that there are children in the countries of Africa who are at risk of death. This is a very serious problem, and we must take measures to help them, but neither should we forget that in our own countries, in the Community, there are children who are prevented from being born, who never see the light of day, either because they are killed before birth or because women are not encouraged to have children for lack of a family policy.

It has been said that the Community has 271 million inhabitants as against Africa's 470 million. Europe is threatened with an ever decreasing population. The process has started: the threat of death hangs over it. Births are no longer reaching the replacement level. There are more and more old people and fewer and fewer young people, and if we wish to take up the enormous challenge of the new technologies, we need a new generation of youth to take over.

Given that nothing is being done towards this end, we should like to see a new budget line introduced. We are faced with the great economic challenges and technological changes which are affecting all the industrialized countries. Our youth alone can take up these

challenges, but if they are to do so, it is essential that we help the young women in our countries and set a formal policy in train. And so far there are no plans for this.

As my honourable friend has just said, the Committee on Women's Rights is an extremely dynamic committee, which works hard and with enthusiasm on all questions affecting women. The employment of women, their training and integration into the economic, political and social life of their countries are matters of extreme importance.

The problem of the falling birthrate in Europe is always neglected. It is the one which receives the least attention. And yet the issue is one of survival. What would be the point of giving attention to other things if our countries had ceased to exist, if we were invaded by other populations which moved into the place we had left for them?

*(Applause from the right)*

We thus call for the introduction of aids to the family in the form of broad and social measures in respect of maternal earnings, housing assistance, assistance to unmarried mothers, time off for working mothers, and greater assistance for large families. We would like to see this item created as quickly as possible.

**Revenue**

**Mr Price (ED).** — Mr President, the European Parliament has powers over the revenue side of the budget. Article 203 of the Treaty is explicit in requiring both revenue and expenditure to be placed before the European Parliament and only creates an exceptional procedure for compulsory expenditure. The European Parliament's powers are even implicitly accepted by the Council, despite some statements to the contrary. This is shown by the failure of the Council to institute proceedings in the European Court of Justice to annul previous parliamentary amendments to the revenue side of the budget. So parliamentary powers are clear, though they must be exercised, of course, within the framework of Community law.

In this reading of the 1985 budget the most important revenue amendment is No 739 from the Committee on Budgets. It is based on the need to prepare a twelve-months budget now rather than waiting uncertainly until next year. I support that principle of a twelve-months budget. However, I have three reservations about the form of that amendment. The first is that it balances revenue with expenditure by advances on the Community's new 'own resources'. I think it would be far better to base the amendment on an expectation that the new higher rate of VAT will be in place during 1985: after all, that is the view that the Euro-

## Price

pean Parliament has been expressing. Advances on 1986 'own resources' are very much a second best.

The second problem is the legal basis which Mr Fich has inserted in the remarks column. Articles 5, 199 and 203 are a moral and legal force requiring the Council to take the necessary action to provide extra 'own resources'. But the action itself must have a more substantial and specific legal basis. Article 209 would be so if we were merely talking about the arrangements for early call of part of a single year's VAT. That is, in fact, all that the amendment sets out to do, and so this amendment, in my view, is defective in not referring to that proper legal basis.

My third problem is that the amount of extra revenue presupposes that the measures to correct budgetary imbalance affecting the United Kingdom and the Federal Republic of Germany will be on the expenditure side. The placing of these measures on the revenue side of the budget was a major part of a complex package of interlocking measures agreed at Fontainebleau. Unwrap the package and it will take years to put another one together again. This part of the amendment, in my view, is simply unrealistic.

In this connection, I come back to my comments about the powers of Parliament on the revenue side. If the European Parliament has powers over the revenue side of the budget, exactly the same way as it does over non-compulsory expenditure, why on earth try to unwrap that part of the Fontainebleau package? Why not simply accept it, because that is what realism would call upon us to do?

My group wants to see the Community go forward. That aim can be best served if both arms of the budgetary authority are realistic.

## Motions for resolutions

**Mr Langes (PPE).** — (*DE*) Mr President, this motion for a resolution gives me a chance to try to do what a Parliament really should try to do, namely to reply to Mr O'Keeffe, the Council representative. He is no longer here, but there are men from Dublin here and I assume they will pass on what I say. I am starting from the Council view that Parliament is guilty of fraud because it has drawn up a budget which cannot even be financed at this point. I am glad President O'Keeffe put that so clearly this morning, for such clarity helps us get on.

But I must say I do not understand his logic. What has Parliament done? It has said that pursuant to Article 203 the budget must be established for the entire following year. We call for a 12-months budget and are not prepared to recognise a budget of which the Council itself says that in at least two areas it can only cover 10 months. What the Council then calls a

'supplementary budget for 1985' is simply — for the remaining months — a second budget for 1985. Surely one does not need to be a great legal expert to see that the Treaty is being bypassed, that this is not consistent with the law and that surely the 'deceivers' are those who do not keep to the law.

What is Parliament doing? I ask you to think seriously about this strategy in the Council meetings which are now taking place prior to conciliation. Parliament has established a general budget within the financial framework laid down by the Council itself. We are not exceeding the financial framework you yourself set in the budget and in what you call the supplementary budget for 1985. The real question to us, to Parliament, must surely be the following: Why do we now want this overall amount, which you fixed yourself, in this budget for the whole year? Not only because, as I have just shown, it is legally necessary, but also because it is politically necessary.

In answer to Mr Price's question as to whether the appropriations for the United Kingdom should be entered on the revenue or the expenditure side, I say: the English should begin by being pleased that Parliament has incorporated the amount for the United Kingdom in the budget at all, and not made some vague promise about putting it in the supplementary budget. The President of the Council did say this morning that the Council had made a binding commitment as regards the supplementary budget. I am not aware of the law on which this binding commitment is based, and would remind him of the 1984 supplementary budget. At that time too, all ten Council members evidently thought there must be one at first, and then one country suddenly declared it did not feel at all committed to pay. Only when Parliament had frozen the repayment to the United Kingdom was the matter resolved.

What Mr O'Keeffe has said reminds me of a family scene. The President of the Council says to his wife: 'This winter I will get you a nice warm winter coat', and then, after some thought, 'but I haven't got enough money. So I will get you a sleeveless winter coat'. What is the use of winter coat without sleeves? Is it any use at all?

**Mr Di Bartolomei (L).** — (*IT*) Mr President, after all that has been said we are making our contribution, at this point, more out of a sense of duty than to continue the discussion further. It is clear, in fact, that the European Parliament does not accept the draft 1985 budget which the Council has presented to it and that it considers it inadequate either to finance the agricultural policy or — and this is even more the case — to get new policies under way. And we have to admit, with a touch of bitterness, that we come to this negative conclusion after having attempted in every way to find points of contact with the other branch of the budgetary authority. We have given proof of our

**Di Bartolomei**

goodwill, firstly by releasing the repayments to Great Britain, and then by adopting the supplementary 1984 budget, even though we did not like either its form or its content. If, therefore, any proof were required of this Parliament's spirit of collaboration, there has been proof in abundance.

Despite that, the Ministers have seen fit to present, in response to the problems that we raised, solutions which have not been found acceptable by any political party in this Chamber — solutions which Pieter Dankert described as being 'with neither head nor tail', and which Mrs Scrivener has categorized as being illegal, with no two ways about it.

And, in fact, the Council is not only going against the provisions of the Treaties but is questioning the powers of Parliament, taking away from its control an increasingly large part of revenue — which, it should be noted, is no longer represented by own resources G and hence partly diminishing its control over the way that revenue is distributed between the various items of expenditure. And if what has just been announced regarding the decisions taken at last night's meeting in Brussels is true, the situation would appear to be even worse than we ourselves feared.

The problem therefore becomes extremely delicate, because it threatens to cause an institutional crisis. Parliament will not allow the Council to reduce its budgetary powers; this Assembly intends to reinstate an expenditure procedure that is in accordance with the Treaties, and it affirms that the budgetary discipline must be decided jointly by the two branches of the budgetary authority.

Now our vote will be taken to the Council and the Commission, and we hope that the representatives of the ten Member States will want to avoid the start of an institutional crisis, since they know — as we know — that their refusal to return to the spirit and letter of the Treaties would cause us to reject the 1985 budget as its second reading. We have to say this without beating about the bush, and it is as well that our opposite numbers in the Council and the Commission know it.

We have a duty to stand firm on this, because it is the future of European integration that is in the balance.

**Mr Tugendhat, Vice-President of the Commission.** — Mr President, I intend to emulate the brevity of those who have gone before me.

First, may I say how pleased I am that so many speakers from all parts of the House have shared the Commission's concern over the fact that this is a budget for a decimalized year — a ten-month year — rather than for a twelve-month year. It is a point to which, as I said at the outset, we attach importance.

I would also like to comment on paragraphs 14 to 18 of the draft resolution which refer to the issues covered in the joint declaration of 30 June 1982. In paragraphs 14 and 16 of that resolution the classification of expenditure is referred to. I would like to recall that, in accordance with the joint declaration, the Commission's preliminary draft budget included a motivated proposal for classification of all new budgetary lines. The declaration also deals with the necessary procedural follow-up to the Commission's proposal.

Mr President, in the event of there being disagreement between the two branches of the budgetary authority, when one of them wishes to dispute the classification proposed by the Commission, a meeting of the three Presidents shall be held in order to find a common position. The Commission therefore believes that Mr Fich is right in proposing in paragraph 47 that a tria-logue meeting should take place. That meeting would have to look for an agreement between the institutions about the problems of classification. As in the past, the Commission would cooperate as far as possible both in the preparation and the tria-logue.

Mr President, an agreement here would mean that the necessary base for the determination of the parliamentary margin would be established. Once that matter is settled, it would be possible to concentrate on the issues which have priority in this difficult budgetary year and on which I commented at greater length on Monday evening.

Paragraph 17 of the draft resolution deals with the creation of new compulsory expenditure. The Commission agrees with Parliament that the Council should abstain from using its legislative powers to the detriment of Parliament's powers in the budgetary field. I would point out though that the formulation of paragraph 17 has the following words: 'The common declaration of 30 June 1982 forbids the creation of new obligatory expenditure by legislative means'. So, it is not really correct in the Commission's view and could not lead to a misunderstanding in the relationship between the institutions.

In paragraph 18 of the draft resolution, the problem of utilization of appropriations is raised in the context of the joint declaration of 30 June. I want to recall here that the Commission has made the necessary proposals for a legal base in the time foreseen in the declaration. Moreover, the Council has not yet adopted the necessary regulations for significant new Community actions. I have informed Parliament in detail on the Commission's action in response to Mr Langes' oral question.

Finally, may I express the hope that the budgetary procedure can be concluded, as Mr Fich said at the outset of his remarks, in a spirit of peace and harmony and enable the Community to end the year with a duly constituted budget.

**Mr Fich (S), general rapporteur.** — (DA) Mr President, I shall also be very brief at this time. I shall not introduce any new topic of debate, but simply say in relation to Mr O'Keeffe's contribution that I must unequivocally refute one particular sentence. It was said that Parliament is shunning realities and is taking a non-budgetary approach to problems. I wish to point out that precisely the opposite is the case. The fact is that Parliament has made a very realistic effort and has conducted itself in an extremely restrictive way as regards the budget. That is my only comment on Mr O'Keeffe's contribution.

I wish then to say a few words about Mr Welsh's intervention, complaining about the procedures followed in the relationship between the specialist committees and the Committee on Budgets. I cannot help saying that it was an exceptionally difficult procedure inasmuch as we were under intense pressure of time. We were not personally to blame in that situation. It was the Council of Ministers which was very late in submitting the draft budget to us, but that of course meant that there might have been difficulties from one moment to the next in the procedure. But precisely in order to avoid the problem pinpointed by Mr Welsh — who felt that we in the Committee on Budgets were taking decisions falling within the domain of the specialist committees — we called upon all the specialist committees to draw up a clear and well-defined set of priorities, so that the Committee on Budgets could make a selection from amongst the specialist committees' own priorities and so that the committee did not take on the rôle of a kind of overlord.

Let me say, moreover, that Mr Hutton naturally thought that the regional sphere was the most important, whereas Mr Welsh, speaking immediately before him, had thought that social matters were the most important. That is the situation we have been faced with in the Committee on Budgets — all our colleagues considered their own committees to be the most important and it was therefore up to the Committee on Budgets, so to speak, to try to bring things into some kind of equilibrium. That is naturally not an easy task. There is a considerable risk of falling out with just about everyone in this House.

I should like to say that Mr Hutton pinpointed a very important factor from which I think a lesson may be learned. He referred on several occasions to decisions which Parliament had itself adopted in the regional sphere, just as Mr Papapietro referred to decisions which Parliament had adopted in the cultural sphere, and both rightly asked why we do not do what has been adopted in our own decisions.

Here we must reply that we have tended to fall into the same trap as the Council of Ministers — fine open-handed decisions, but when funds are to be granted they are not available. I should like to warn against continuing on this path. I would recommend that in future when decisions are taken we should pay

much more attention than hitherto to what they will actually cost. We must ask whether we can afford to pay for things in the future. That will keep us from doing things which we would subsequently be unable to defend.

I should like then to say a few words in reply to the contribution made by Mr Bonde, who has finally returned to the Chamber and can hear for himself. I should like to remind Mr Bonde that what we have here is the first reading of the budget. At the first reading Parliament puts forward its wishes which it is legally perfectly entitled to do. We do so in accordance with the rules set out in the Treaty. I should also like to say to Mr Bonde that no illegalities are committed here, since Mr Pflimlin, our President, will finally have to sign the budget and Mr Pflimlin will naturally not be able to sign a budget which is not lawful. Thus Mr Bonde may rest assured that everything here is above board.

Allow me to add that Mr Bonde does not believe that we should at any point interfere with the decisions which the Council of Ministers has taken in connection with the budget. That therefore means that Mr Bonde fully accepts that aid to developing countries should be cut by 27%, environmental expenditure by 29% and that in the field of new technology by 40%. So I take note of that. That is Mr Bonde's opinion, and there is nothing that can be done about it.

I should like to conclude by saying that many colleagues have said that our activities in the Committee on Budgets are terrible — we sit around and make cuts. I should like to take up that point. That is not the case. The Council of Ministers has done the cutting down. We in the Committee on Budgets sit around and increase appropriations. We are unfortunately not able to increase them very much, as everyone might like. But I emphatically reject any assertion that we in the Committee on Budgets sit around and make cuts. We have never done that, and the statement must therefore be refuted.

With that, Mr President, I should like to express the wish that tomorrow's vote will go according to what we have discussed today.

(Applause)

**Mr Cot (S), Chairman of the Committee on Budgets.** — (FR) Mr President, in concluding this debate and making sure that we do not go too far over the time limit you have set us, I should like first of all to thank our rapporteur for the important work he has done in view of the large number of amendments he has had to deal with. The Committee on Budgets was almost overwhelmed by them at the first reading.

I would point out already that the second reading will be even more difficult, since the time available has

Cot

been shortened. I hope honourable Members will take note of the fact and appreciate that the Committee on Budgets will be cooperating with the other committees in conditions of the utmost severity, but this cannot be helped.

I should also like to thank all those who have helped our committee in its work: departments of the Commission, of course, but also of Parliament, not forgetting the members of our committee, and especially those who did not agree with us, the minority who nevertheless accepted the view of the majority, bowed to this discipline and made things easier for the Committee.

Lastly, I should like to thank the rapporteurs of the other committees, who were in the very frustrating position of having to contend with what is already a form of budgetary self-discipline.

The task still before us, which we shall complete when we vote tomorrow, is one made difficult, Mr President, by the general context, by the fact that the Council has given us a draft which we all know to have shortcomings — all the speakers have pointed this out — despite the efforts by the Irish presidency to remedy the situation. It is a clumsy, shambling draft covering ten months, which poses problems, and I would add that this context is made more awkward by the Community's overall financing problems which have been raised by our debates on the supplementary budget and by the plans for budgetary discipline, without any attempt being made to link all these things. It must be said that, as things stand at the moment, the general climate is one which each and every one of us must endeavour to improve.

However, there are also a number of positive points. The conditions in which we have nevertheless managed, thanks to goodwill on the part of all sides, Commission, Council and Parliament, to adopt the supplementary budget appear to me to be a positive element. I hope that the work of conciliation, consultation and discussion concerning budgetary discipline will be fruitful and that it will result in the spirit of peace and harmony amongst Commission, Council and Parliament to which Mr Tugendhat referred just now.

Having said that, Mr President, I should like, if I may, to reply to two objections raised towards the end of the debate and which were not, I think, covered fully during the debate.

Firstly, the position we recommend to Parliament is supposedly illegal. We have just now heard a speaker arguing along these lines. I do not see — and I emphasize the fact — That there is anything illegal in our proposals. We are not proposing to increase VAT

by anticipation. We are not even proposing to anticipate on future resources. We are simply proposing that we should observe the logical consequences of the political commitments of the Member States and of the provisions of the Treaty which require Member States to achieve a balance between revenue and expenditure.

Let me add, however, for the Council's benefit that any attempt on its part to censure us would seem to me both unwelcome and laughable, when it has given us a budget which manifestly infringes the lawfulness of budgetary procedure as laid down in the Treaty or — to be polite — borders on doing so — as regards the principles both of annuality and of budgetary unity or universality.

The second objection concerns Fontainebleau. It has been said that our proposals were not consistent with the Fontainebleau Agreement. My position is this: Fontainebleau is to be welcomed as a considerable achievement which solved a knotty problem. But when you have undone the knots, you have to take up the threads and make something of them, and this is not easy. I believe that what we are proposing to Parliament is an extension of Fontainebleau which will restore a situation consistent with the spirit of Fontainebleau. And it is in this same spirit that we propose the entering as expenditure of the rebates due to the United Kingdom and the Federal Republic of Germany, as the Fontainebleau Agreement itself wished. Our conclusion is that this must be done at once, otherwise we shall create an impossible situation and a dangerous precedent.

It is in the same spirit that we reinstate a budget covering twelve months in order to halt this policy of expedients and haggling which is draining the very lifeblood of our Community. Fontainebleau was a move on the part of the Heads of State and Government to make a fresh start. Parliament for its part intends — at least, this is what the Committee on Budgets suggests — to propose a fresh start. I hope that the Council for its part will have the wisdom to listen to our voice, understand it and, I trust, act on it.

*(Applause)*

**President.** — The debate is closed.

The vote will be taken tomorrow.

I think I should take this opportunity to thank the staff most warmly for their kind and efficient cooperation which has allowed us to finish this extremely important debate.<sup>1</sup>

*(The sitting was closed at 7.25 p.m.)*

<sup>1</sup> *Topical and urgent debate (announcement) — Speaking time — Agenda for the next sitting: see Minutes.*

## SITTING OF WEDNESDAY, 14 NOVEMBER 1984

### Contents

1. Discharge in respect of 1982 budget: Report by Mrs Boserup (Doc. 2-888/84): Mrs Boserup; Mr Aigner; Mr Tugendhat (Commission); Mr Wettig; Mr Schön; Mr Simmonds; Mr Rossetti; Mrs Scrivener; Mr Mouchel; Mr Dimitriadis; Mr Dankert; Mr Clinton . . . . .	104
2. Welcome . . . . .	118
3. Discharge in respect of 1982 budget (contd): Mr Simmonds; Mr Chambeiron; Mr Lalor; Mr Martin; Mr Bocklet; Mrs Boserup; Mr Aigner; Mr Thorn (Commission); Mrs Boserup; Mr Bocklet; Mr Wettig; Mrs Veil; Mr Klepsch; Mr Arndt; Mr Møller; Mrs Nielsen; Mr Price; Mr Alavanos; Mr Simmonds; Mrs Lizin; Mr Martin; Mrs Barbarella; Mr Ryan; Mr Thorn . . . . .	118
4. 1985 budget: Votes: Mr Curry; Mr Arndt; Mr Curry; Mr Nord; Mr Wijsenbeek; Mr Croux; Mr Curry; Mr Pitt; Mr Curry; Mr Cot; Mr Fich; Mr Cot; Lady Elles; Mr von der Vring; Mr Fich; Mr Klepsch; Mr Fich; Mr Pitt; Mr von der Vring; Mr Fich; Mr Dankert; Mr Fich; Mr Arndt; Mr Fich; Mr de la Malène; Mr Cot; Mr Pitt; Mr Megahy; Mr Fich; Mr Pitt; Mr Fich; Mr Griffiths; Mr Fich; Mr von der Vring; Mr Fich; Mrs Ewing; Mr Fich; Mrs Faith; Mr Fich; Mr Cot; Mr Bocklet; Mrs Fuillet; Mr Newton Dunn; Sir Henry Plumb; Mr Seligman; Mr Stevenson; Mrs Van Hemeldonck; Mr Van Miert . . . . .	127
5. Agenda . . . . .	137

IN THE CHAIR: LADY ELLES

*Vice-President*

*(The sitting opened at 10 a.m.)<sup>1</sup>*

#### 1. Discharge in respect of 1982 budget

**President.** — The next item is the report by Mrs Boserup, on behalf of the Committee on Budgetary Control, on a motion for a resolution incorporating a decision to refuse to grant a discharge to the Commission of the European Communities in respect of the imple-

mentation of the EC budget for the 1982 financial year, in accordance with the provisions of Article 5 of Annex IV to the Rules of Procedure (Doc. 2-888/84).

**Mrs Boserup (COM), rapporteur.** — (DA) Madam President, ladies and gentlemen, we are now to deal with this matter for the second time in six months. That is, incidentally, not my fault; I could have settled the matter in April, but at that time the majority in the Committee on Budgetary Control and consequently here in the House was of the opinion that an assembly which was so close to an election should not take such a serious decision as that which was on the cards and that we must wait for the newly-elected assembly, which might hold a different view. Thus it would be possible — and it was only reasonable — to give the Commission sufficient time to reply to the criticism raised. And so now we come to that point. I must admit that for Members who were here before the election in June that there is scarcely anything new in what I have to say.

<sup>1</sup> For items relating to approval of the Minutes and announcement of requests and list of subjects for topical and urgent debate, see the Minutes of Proceedings of this sitting.



**Boserup**

Historically I must recall that the Committee on Budgetary Control has existed as an independent committee for only five years, but they have been five arduous years even so. The committee has on previous occasions expressed widespread dissatisfaction with the Commission's management, but we have nevertheless previously acknowledged that things were improving and that most would be achieved by trying to improve conditions in the Community. However, that is not possible on this occasion. There are special circumstances concerning 1982 which make it impossible, but I shall not deny either — and that must be understandable — that there is also some accumulated indignation within the Committee on Budgetary Control when we have seen the same mistakes cropping up again and again over the past five years.

To return to the matter in hand, I must say that we have been working on the question for eleven months, and it is quite inconceivable that I could get through the matter in ten minutes. I must therefore assume that those Members who are interested have read the documentation and I shall have to make do with taking up individual points; the spokesmen from the political groups can then deal with those matters which they consider to be of particular interest.

The first matter I must mention today is the Commission's unsatisfactory implementation of Parliament's amendments to the budget. These amendments are made within Parliament's fairly modest room for manoeuvre and are considered very carefully. They are adopted within the political groups, the specialist committees, the Committee on Budgets and finally are adopted by this House. We assume that what is finally adopted in this way will be utilized — and that seems to me to be a reasonable assumption, but it is not, however, the case.

We automatically assume that the funds will be used in the financial year for which they are entered. I can illustrate the problem with an example. If the Council's draft shows an amount of 20 million ECU for a particular item and if the Parliament considers that to be insufficient and adopts an amendment adding the sum of 5 million ECU, it does so because it thinks that 25 million should be spent. So when the Commission says that it has spent 20 million (i.e., 80 %) and that that is just fine, we have to disagree. It is not fine at all: it is too bad, since the 5 million which we managed to enter, with no little effort, has done no good. It seems to me that when we are today going to plough our way through 4 kilogrammes of proposed modifications, the Member States should reflect upon how long this situation should continue.

Then there is a matter with which we have been concerned in our work which does not arise from the report of the Court of Auditors, which is generally our essential working basis. We are critical of the apparent haste with which the Commission overruled its own financial controller. A financial controller is an impor-

tant person whose job it is to see that Community funds are used in accordance with the law and that the regulations are respected; if he is not satisfied, he is to withhold his signature and refuse to approve payments made. He acts independently and reaches his own decision, which he must explain in writing. The committee was shocked when it heard in February that the Commission had precipitately overruled its financial controller when he refused to approve large sums in the agricultural sector.

We have not had an opportunity to look into the individual aspects. There were several factors and four Member States involved, but we know that the protracted procedure for the closing of accounts concerning Member States' advances for the administration of agricultural arrangements is responsible to a considerable extent for allowing this situation to arise. We have often criticized this deferred increase. Now we have it in a form which is unacceptable to both the Commission and the Member States on which it recoils. That leads to exchanges of letters and negotiations, it may lead to proceedings before that Court of Justice and it concerns events which happened years ago. That is unreasonable, and we ask once again for the closure of accounts to be speeded up, for the Commission to keep an eye on what is happening in Member States and for the regulations to be clarified so that we do not have cases of misinterpretation with such unfortunate consequences as we have seen here.

I cannot leave out our old friend food aid. We have criticized this topic in the past and we do so with particular vehemence as regards 1982. Parliament adopted a proposed amendment which would have provided fully 160 000 tonnes of extra cereals for the alleviation of hunger in the world. Imagine our indignation at finding when the 1982 accounts were closed, that less than that amount had been sent — that is, 72 000 tonnes! We cannot help wondering how many human lives we could have saved if the amount of cereals which Parliament had made available in its amendment had actually been sent. Is it really impossible to have an administration which can manage such a task? I merely ask the question.

Finally, there is a matter concerning the Commission's clear disregard of the wishes of Parliament when it rejected the supplementary budget in December 1982. That event, so far as may be seen, failed to make any great impression on the Commission, which carried on as though nothing had happened. The Commission's rejoinder is that it was certain that Parliament would later adopt such a supplementary budget. That is no excuse for going against the regulations in force or for hypothetical mumblings about possibly saving the Community money, inasmuch as financial gain has never been an excuse for side-stepping the law. That would not be desirable. I could speak at great length about that matter, which for me here I am speaking only for myself — was sufficient ground for refusing to grant the discharge, but unfortunately time does not

**Boserup**

allow. I must content myself with saying that those who are interested are warmly recommended to read Chapter 9 of the Court of Auditors' Report for 1982. We asked the Commission for a reply. As may be seen from the report, the reply did not satisfy the majority in the Committee on Budgetary Control. We cannot at the moment see any alternative to recommending that Members vote for a refusal to grant the discharge.

We are not head-hunters, and I am not tracking down individuals within the Commission. Nor do I wish to provoke crisis and confusion; if we can obtain a majority for this, then the Commission's answer must be to draw the necessary conclusions. For me it is not important whether that majority consists of 218, 210 or 2 votes. That is and remains a technical detail. But I must urge Members to consider whether they do not find that the Commission's management warrants a thorough reproof — which may be delivered by our voting for this proposal, since it will be an indication to a new Commission of what is required. We cannot continue to be satisfied with promises and statements of intention, I believe that the Assembly should gird up its loins for action, and I therefore recommend that the House vote for the motion.

**Mr Aigner (PPE), Chairman of the Committee on Budgetary Control.** — (DE) Madam President, ladies and gentlemen, I should like to begin by warmly thanking the rapporteur and all the members of the Committee on Budgetary Control, who have put in weeks and months of work to draw up a report which will, I hope, not set the Community back by its criticisms, but rather will impart new impulses to it. The aim of our report, even if it is presented in a negative form, is not to weaken but to strengthen the Commission. I say this for the benefit of the President of the Commission — I am glad to see that he is with us today.

I would assure President Thorn that the Committee on Budgetary Control's criticisms of the Commission are directed not at him personally or at individual commissioners, but against the Commission's function as an institution. I think that members of this House from all the groups have repeatedly said in recent years that the Commission has no longer been able to sustain its true roles as the Community's driving force, the initiator of its further development. The legitimization of the individual commissioners depends on the individual Member States and their governments and not on a European formula comparable to the majority formula of Parliament. In addition, the allocation and distribution of responsibilities, for example, are based on criteria quite different from those which would seem to determine the obvious choice.

A president who has no directive powers and who has to steer a body composed of a variety of political motivations is — if I may be permitted the expression — a poor devil, for all he can enact is a compendium of

national and many other viewpoints which have together made up the work of the Commission. Nearly all the groups have focused their criticism on the fact that the Commission has become more and more a general secretariat of the Council and thus no longer a real partner of Parliament.

Commendably, the Commission President confirmed this in his reply. A weakening of the Commission's legal position is directly tied to a weakening in that of Parliament. I think we agree on this. We hang together when we seek to resist the omnipotence of the Council or — to put it a different way — when we have to reject the adding together of ten national bureaucracies, because otherwise the decision-making structure of the Community would not be able to function. This is our main preoccupation.

In the course of our debate we have achieved a broad degree of agreement on many points and an improvement in our relationship with the Commission. Among others I see here today Mr Strasser and Mr de Kosta who have proved themselves to be true partners in our joint endeavours. So although many positive things have been achieved, there are points which Parliament cannot in my view simply sweep aside in considering the agenda. I say this for the benefit of those who are still uncertain whether or not to follow our recommendation: if despite the five or six concrete points we raise you grant a discharge, you will weaken Parliament's position.

Mr Tugendhat, what has most astonished me in recent weeks is this: you say that Parliament does not have the right to inspect and verify all internal documents of the Commission. May I remind you of what you said to this House on 15 February 1977? You will certainly recall the famous malt scandal. Parliament had demanded that the relevant internal document be inspected by Parliament. The Commission then adopted the same position as it did today in your refusal to make available to us the legal opinion on the withholding of approval for France, Belgium, Denmark and the United Kingdom. The sums at issue in these four countries were millions, however, and you chose — as you are entitled to do — to disregard the Financial Controller's refusal to give his approval. Three times you told the Committee that you would not make the legal opinion available to it. On 15 February 1977 you said before this House, and I quote, 'The Commission is aware that the problem of the report on malt entails a question of principle which needs to be solved for the future in regard to relations with Parliament. The Commission is thus prepared to provide Parliament (via the then Parliamentary Subcommittee on Budgetary Control) with a copy of all the reports it compiles and transmits to the Audit Board (forerunner of the Court of Auditors). As many of these reports are confidential it will be necessary to work out procedures to safeguard this confidentiality.' We undertook to respect this confidentiality, but you refused to make the legal opinion available to us.

**Aigner**

Do you know what the result of this attitude would be? In future the Commission could refuse to allow Parliament access to any facts which Parliament's terms of reference require it to verify, by applying its own definition and saying 'that is an internal matter, an internal document, and we shan't let you see it'. On this count alone, ladies and gentlemen, you would make things extremely difficult for Parliament if you were to grant a discharge.

The rapporteur and the Committee have concentrated on the following points in their report. Firstly, there is the supplementary budget for 1982. We rejected the 1982 supplementary budget, but despite this the Commission carried out currency transactions, in violation of the current Community regulations. The Commission says it was economically necessary, but the Court of Auditors' report, if you read it, says precisely the opposite. Mr Tugendhat, no Member of this Parliament can miss the implication of this: although the supplementary budget was rejected you continued your operations, *against* the law of the Community, on a scale which suggested that this decision of Parliament's had not been taken at all. You ignored a budget decision — the most powerful right which Parliament possesses.

The second point concerns agriculture. I will not dwell on the mistakes which have been made in agricultural policy and which are now being corrected at the expense of the farmers. This is not only the fault of the Commission, which has made a large number of proposals. The main culprit here is the Council, which approves one regulation after another. Over six hundred national committees are vying with each other to advance their demands, and when the time for payment comes the same Council which approved this procedure says 'but we haven't the money'. But we have a reproach to make to you on the subject of market policy and the administration of surpluses. It is not putting it too strongly to say that I think the Commission has lost control of its Directorate-General for Agriculture. This Directorate-General shows signs of being a law unto itself. It no longer does any market research. Just think of the sale of Christmas butter which was so delayed in 1982 that Christmas butter was still lying around in the cold stores in January and February, because the Commission, contrary to the will of Parliament, had been far too slow off the mark. If, for example, you had voluntarily made amends in the next couple of years, there would have been room for discussion, but look how you are carrying on now! Mr Thorn, there is something I don't understand. You have approved the sale of Christmas butter this time, you have linked it to a deal with the Soviet Union. As you know, I have nothing against trade with the eastern bloc, on the contrary. Trading with eastern Europe is a splendid agricultural policy: it provides partners to take our surpluses.

As a result of this link you have again delayed the sale of Christmas butter. At the time you promised to con-

sult Parliament before granting any concessions to state trading countries. You have not done so. Now you have problems in the GATT negotiations, and once again we are losing control over this butter sale.

I hope that other speakers will cover the other points. Anyone reading the Court of Auditors' report on the implementation of food aid, and this House has adopted world hunger as one of its main policy concerns, will understand that no member of it can vote in favour of the discharge. I hope we can clarify the matters which remain open in discussions later with the new Commission.

**Mr Tugendhat, Vice-President of the Commission.** — Madam President, this is the eighth occasion on which I have addressed this House, on the Commission's behalf, in a debate concerning the discharge and, as the House knows, it will be the last such occasion on which I do so.

I regret, therefore, that for the first time ever Parliament is being invited by its Budgetary Control Committee to refuse the grant of discharge in respect of the year 1982. Innovation in the Community is always tempting and there is, perhaps, no safer moment to embark upon it as far as a discharge is concerned than six weeks before expiry of the mandate of the Commission. Nonetheless, the text of the resolution before this House has implications both of procedure and of substance on which the Commission feels obliged to respond with some force.

As regards procedure: in the Commission's view, to use a discharge resolution as a vehicle for general criticism of the Commission's record is an abuse of the Community's procedure. We can only deplore this, and the President of the Commission will speak on that point later in the debate. I myself will simply talk on the substance of the proposed decision.

The resolution before the House contains, in addition to a number of vague and general complaints, some specific allegations. The Commission has replied to these allegations at length, both orally and in writing. I shall do so again this morning, but only briefly, taking them in the order in which they are presented in paragraph 2 of the resolution.

In paragraph 2(a) of the resolution, the Commission is criticized for failing over the years to implement Parliament's amendments to the budget in a satisfactory manner. The Commission contests the truth of that assertion. We have also provided detailed evidence showing the contrary. As regards commitment appropriations, which provide the best picture of policy initiation, the budget in 1982 was executed on a line-by-line basis at levels close to, or at, 100% in virtually all cases. It is true that payments in some instances fell short of initial expectations; but, almost invariably, this was because the potential beneficiaries had not

**Tugendhat**

adequately fulfilled their obligations. The Commission does not believe that it would have been right to hand over money in such circumstances simply in order to maximize the execution of the budget. Indeed, we believe it would have been incompatible with the principles of strict budgetary control to do so. In other, isolated cases, implementation of the budget did not occur because no adequate legal instrument was created for the action in question. The triologue agreement of 30 June 1982 specifically recognized that a basic regulation is necessary to implement any significant Community action. To criticize the Commission for not having implemented the budget where such legal bases do not exist is, thus, to call into question that agreement of 30 June 1982.

In subparagraph (b), it is claimed that the Commission failed to take account of the rejection by Parliament of the supplementary and amending budget No 1. Mr Aigner referred to this at some length in the speech he has just given. This claim is surprising. In February 1983, Parliament eventually adopted a supplementary budget. In doing so, it did not imply that the Commission's behaviour had in any way undermined or weakened its budgetary power. Moreover, this specific action, taken by the Commission and now the subject of criticism by the Committee on Budgetary Control, was drawn specifically to the attention of Parliament at the earliest opportunity. A debate took place in this Chamber in January 1983 — the first part-session following the Commission's action — during which Parliament was extensively informed of what the Commission was doing, and why.

May I perhaps be permitted to recall the facts here. The Commission opened special bank accounts in its own name in London and Bonn, which were credited with the amounts of compensation under consideration. I cannot emphasize too strongly that the money was not — and I emphasize the word *not* — handed over to the national treasuries but was put into suspense in these special accounts as a precautionary measure. Parliament had never contested the amounts agreed by the Council. As a consequence, there was a justified expectation that the amounts in question would be paid at a later stage. It is also important to bear in mind that the Commission's decision was fully reversible in case Parliament did not agree to the first supplementary budget in 1983.

I should, therefore, like to emphasize that the Commission did not thwart the will of Parliament. On the contrary, the action of the Commission was motivated by the desire to create conditions which enabled agreements to be reached between Parliament and the Council, and I have to stress that the Commission succeeded in that object. Our preliminary draft supplementary budget — amending budget No 1 — was adopted by the budgetary authority, i.e., by Parliament as well as by the Council, without any major modifications.

Members of this House will know that it is not common for the budgetary authority, not common for Parliament or Council, to adopt a supplementary and amending budget without major modifications, but this particular budget relating to the point on which Mr Aigner spoke earlier was, in fact, adopted by this Parliament without major modifications in February 1983.

In subparagraph (c), Madam President, the Commission is accused of having overruled precipitously its financial controller in a manner which infringed the spirit of the Financial Regulation and contradicted the principles of sound financial management. On this I must first say that there is no connection whatever between a decision taken by the Commission in 1984 concerning the clearing of the EAGGF accounts for 1978 and 1979 and the discharge for the budgetary year of 1982. That is an important point.

Secondly, the Commission has, in accordance with normal practice, sent to the Court of Auditors copies of the financial controller's *refus de visas* along with its detailed decisions to override them. To date, Madam President, the Court of Auditors has not drawn to the attention of the Commission any comments concerning the decisions which were taken in the context of the clearing of the 1978 and 1979 EAGGF accounts.

The circumstances surrounding the various cases involved in the clearance of the accounts have been explained in detail to the Committee on Budgetary Control by my colleague, Paul Dalsager. The relevant Community rules allow the Commission in defined conditions to overrule a *refus de visa* from the financial controller, and in the cases in question these conditions were fulfilled. Every year the Commission uses this discretionary power in a limited number of cases — sometimes specifically in order to ensure that the budgetary will expressed by Parliament is respected. Moreover, I must point out to the House that this discretionary power is also regularly exercised by Parliament itself and by the other institutions in relation to their own financial controllers. The Commission therefore cannot accept that its action infringed Community rules.

As regards Christmas butter — subparagraph (d) — it is alleged that the Commission thwarted the will of Parliament expressed in its resolution of 15 October 1982. The Commission rejects this assertion. In its resolution of 15 October, Parliament did not insist on any particular scheme for disposing of surplus butter, but simply suggested one possible way of doing so. By no reading of the resolution could it be said that Parliament recommended, let alone insisted on, a particular scheme. The resolution in question involved a number of points other than Christmas butter, many of which have been followed up by the Commission and introduced into Community legislation. The Commission, therefore, fails to see how the Committee on Budgetary Control can speak of the Com-

### Tugendhat

mission having thwarted the will of Parliament. Members of this House will, of course, be aware that in the current year, following a re-examination of the options for reducing the Community's butterstocks, the Commission recently decided on the largest-ever Christmas butter scheme, which is due shortly to be implemented.

Madam President, I have to add in this connection that for the Parliament to criticize the Commission for not following its recommendations in the field of agricultural policy, is, if you will permit me to say so frankly, the purest hypocrisy!

Could I remind this House that on at least three separate occasions in the last four years this Parliament has rejected the Commission's proposals concerning co-responsibility in the agricultural sector, and during the life-time of this Commission the Parliament has year after year called for increases in agricultural prices massively greater than those proposed by the Commission and, indeed, greater than those eventually decided by the Council itself. If the Commission had followed Parliament's advice on the conduct of agricultural policy, the cost to the Community's budget would have increased by something of the order of 2 500 million ECU every year. What the consequences would have been for the surplus stocks of products in the dairy sector, and indeed other products as well, is too horrific to imagine.

Madam President, it does not come well, if I may say so, from Mr Aigner, therefore, to criticize Directorate-General VI — the agricultural DG — in the terms he did.

The Committee on Budgetary Control has also pointed, in subparagraph (e), to difficulties in connection with food-aid policies. Such policies constitute an enormous target for criticism, and the Commission would not wish to claim that its management in this field is incapable of improvement. It must also be kept in mind that the Commission operates in partnership with independent countries whose political objectives and standards of administration can differ from ours, to put it mildly.

Also, the Commission has a shortage of staff in this area in relation to the requirements, and indeed the endowment, of the Member States in this field. It is very salutary to compare the numbers of people who handle the Commission's programme with those who handle the programmes of the Member States.

None the less, it is a fact that the Commission has taken considerable positive action in recent years in order to reduce delivery delays, to make purchases on the markets of the developing countries and to improve packaging and quality control.

Moreover, the special programme designed to combat hunger in the world was introduced in 1983 and not in

the 1982 budget — that is to say, after the period with which this discharge procedure is supposed to be concerned. The implementation of this new activity, in spite of external constraints, is improving. Indeed, the food-aid appropriations entered in the 1984 budget will be utilized in full. In addition, the Commission's recent initiative to help to combat famine in Africa, which entailed a significant budgetary transfer, was adopted on behalf of the Parliament by the Committee on Budgets unanimously. No voices were raised on that occasion claiming gross inadequacies on the part of the Commission in this field — not, the Commission thinks, because of oversight, but because the views of the Committee on Budgetary Control on this subject are not widely shared.

Subparagraph (f) suggests that the Commission's management, monitoring, appraisal, assessment and financial information systems are inadequate. The Commission, to say the least, is puzzled by this criticism. In its communication to the Parliament in August, the Commission said that it is perfectly willing to consider with Parliament any precise and specific requests for improvements in this field. Indeed, a few days ago, I wrote to Mr Aigner in reply to a recent request from him in which he asked, on behalf of the Committee on Budgetary Control, for certain data. The Commission has agreed to supply precisely what was requested.

This offer to supply information, of course, remains open. The Commission does, however, already provide Parliament and its specialized committees with a considerable amount of such information. For example, each year in connection with the budgetary procedure we put forward a three-year forecast. We also send every month to the Committee on Agriculture, the Committee on Budgets and the Committee on Budgetary Control details of the uptake of EAGGF credits. It is, to say the least, a rare event when any of this information gives rise to examination in Parliament.

This apparent thirst for more information which the Committee on Budgetary Control considers to have been inadequately satisfied by the Commission is also to be found elsewhere, in paragraph 3 of the draft resolution, where it is claimed that the Commission's replies of August to the requests made by Parliament in its resolution of April were inadequate. For the House to be able to judge the validity of this claim, I must place on record the fact that the Committee on Budgetary Control has never examined in detail the document in question, and this despite repeated requests from the Commission that the information and arguments contained in the paper should at least be discussed.

To sum up, for the first time ever, Parliament has been invited by its Committee on Budgetary Control to refuse the Commission's discharge. I ask honourable Members to consider carefully what it is they are being asked to do and why. The draft resolution addresses

**Tugendhat**

both the 1982 budget and the Commission's management over the past four years. Concerning the 1982 budget, the Court of Auditors, in its report for that year, makes certain critical comments, but neither number nor their nature is out of line with those of earlier years, where, of course, discharge has been granted. The Commission has replied in detail to all these criticisms and has shown by its actions in subsequent years that it has taken them to heart where appropriate. The Council has recommended discharge. Moreover, none of the specialized policy committees of Parliament, either in 1982 or more recently, has criticized in a fundamental manner the Commission's execution of the budget in areas of direct concern to them.

I have sought particularly to rebut the specific criticisms made in the draft resolution. I hope very much that the House will consider the Commission's arguments carefully before taking its decision in this matter.

**Mr Wettig (S).** — (DE) Madam President, ladies and gentlemen, in his response to the substance of Mrs Boserup's report Commissioner Tugendhat implies to the Committee on Budgetary Control and also, I believe, to the House as a whole, that the right of discharge is being abused here in that this report makes a number of general reproaches which have nothing directly to do with the 1982 budget.

This is nothing new. We have heard this many times in the Committee on Budgetary Control, and I should like to refute it utterly because I believe that Mrs Boserup's report, despite the weak points it still contains, illustrates in detail that the Commission acted in defiance of Parliament decisions in the 1982 budget year and pursued an expenditure policy which we cannot approve.

Naturally — and this is a legal problem — the discharge is to be given only in respect of one financial year, but we must — and I would stress this here — also consider what criticisms have been made of budgetary policy in previous years. These contain a number of comments which go back to previous discharge debates or individual aspects of Community budgetary policy. It is certainly not the case that there has never been any controversy in this House as to whether or not the Commission should be given a budget discharge. I have been a member of the Committee on Budgetary Control since 1979 and I well remember that in almost every year after 1980 it was a matter of great controversy whether or not we should grant the Commission the discharge, and each time it was granted only with serious misgivings. Now I think we have reached a point where we can do more than just voice misgivings, where we really must say that the present budgetary policy, which Parliament as a directly elected assembly has been voting on since 1979, and which has been reviewed by Parliament's

own Budgetary Control Committee, cannot continue this way in future!

Let me return to the principal accusation levelled in Mrs Boserup's report, that the Commission's policy has hit Parliament where it hurts, i.e. in its budgetary powers. We have the lamentable situation in which the European Parliament does not enjoy the full powers of a parliament, but can do more as regards budgetary matters than the Treaties of Rome originally intended. For this reason it must whole-heartedly resist any attempts to curtail its powers in this area.

But this is what happened over the 1982 supplementary budget. The Commissioner has most eloquently denied that the Commission got round Parliament's rejection of the supplementary budget. Dear Mr Tugendhat, you can tell that to the layman, to those unversed in international banking, balance of payments affairs and cash advances in public budgetary authorities, but you can't fool the Committee on Budgetary Control! As a result of the Commission's policy two countries which would otherwise have made sizeable payments have been given an advantage which they ought not to have been given following rejection of the supplementary budget.

The second issue is food aid. Beyond all doubt, I will say it again, something positive has been achieved here. But in our view the main point is not a criticism of food aid as a whole, but the fact that the 1982 basic regulation on food aid infringed the agreement between the presidents of the Council, Commission and European Parliament on the European Parliament's powers concerning non-compulsory expenditure.

This being so the Commission, on learning that the Council did not propose to complete the conciliation procedure with Parliament, should have withdrawn its draft regulation. It should have backed Parliament and not accepted this impossible draft regulation, which deprives the joint declaration of June 1982 of its substance and thus infringes the rights of the European Parliament.

A further point is that Parliament, in the five years since the direct elections, has tried, by means of changes in the non-compulsory part of the budget, to exert a positive influence on Community policy. But when we find — not only in the 1982 budget year but previously as well — that these changes are implemented only very inadequately by the Commission, we have to see this as an infringement of our budgetary powers. And it is no good the Commission pleading difficulties. All administrations have difficulties, that's what they are there for, and after all the Commission is big enough to overcome them. A Parliament cannot be bought off with excuses of this kind!

The fourth point, already outlined by our chairman Mr Aigner, is the question of how the Commission

## Wettig

views Parliament's powers of budgetary control. The Committee on Budgetary Control differs markedly from comparable bodies in national parliaments in that it is virtually a standing committee which does not just control things after the event but is also able to control certain budget decisions relatively quickly.

This presupposes that documents are made available to it in confidence so that certain operations can be checked in greater detail. If the Commission refuses to release such documents, this is quite definitely a curtailment of Parliament's control powers. This we must criticize and reject and bear in mind when debating the question of a discharge.

A further point, and I cannot go into it at length in the time available, is our general criticism of the Commission's budgetary policy. It primarily, of course, concerns agriculture, and it runs like a refrain through all the European Parliament's decisions since 1980. We are not saying that the Commission has done nothing at all. But we do say, and we are in good company with the European Court of Auditors here, that it has done too little, that in many areas the Commission's expenditure policy has no coherent link with the common agricultural policy, that there is, for example, no clear guideline on the stockpiling of surpluses. Particularly in the case of butter and cereals this is now causing very grave problems. The whole tussle over special sales, particularly of Christmas butter, shows that the Commission has no clear policy, for if it is still not clear when the sale of Christmas butter is to start, this means in concrete terms that the objective of the sale will presumably not be achieved again this year either and all the criticism of the Commission's stockpiling activities will continue.

This criticism of the Commission's general budget policy is in my view one of the most important issues for the new Commission. It will have to stimulate more activity, and in particular it will have to give more attention to the opinions voiced by the European Court of Auditors in its report to the heads of government and expressed by the European Parliament for many, many years.

The Commission is in fact controlled not only by Parliament, but also by the Council of Ministers. And so I was rather surprised to read recently that the Council of Ministers was launching measures to impose budgetary discipline. If the Council had begun a bit earlier what Parliament has been doing for five years already, we should all, I think, be a lot further along the road.

Parliament's influence on the policies of the Commission is unfortunately limited, and it has only three powerful sanctions — rejection of the budget, the vote of censure and the refusal to grant a discharge. This explains why, since we have no other instrument, we must now use that of withholding the discharge in order to make clear for the future that we are no longer prepared to accept certain shortcomings, that we

are giving the new Commission, which will be implementing Community policy as from 1 January 1985, an indication of the direction it should follow, and that we are extending an offer of dialogue on what a reasonable Community spending policy should look like.

*(Applause)*

## IN THE CHAIR: MR FANTI

### *Vice-President*

**Mr Schön (PPE).** — *(DE)* Ladies and gentlemen, I should like to start by taking up a remark which Mr Tugendhat made just now when he warned Parliament against misusing the discharge procedure for purposes of political criticism. I cannot let that pass, Sir! Parliamentary control, whatever the form in which it is exercised, is political control, and political control must perforce lead to political judgments!

*(Applause)*

As the previous speaker has indicated, the Committee on Budgetary Control is more than just an audit committee which, on completion of a budget, verifies figures, perhaps corrects them, states its conclusions and then files its report.

Thirdly I should point out that the discharge procedure is an all or nothing procedure. We cannot unfortunately grant a partial discharge. Back in April, Parliament did not grant the discharge, admittedly, but neither did it refuse it. The idea was to give the Commission a chance to consult with the Committee on Budgetary Control and with Parliament, for our feeling at the time was that your replies were totally inadequate. Today we have again heard what you had to say. You said many things, but you have added nothing new to what you said earlier in spring of this year.

My group will ask for the deletion of subparagraph (d) from the Boserup resolution, which talks about four years of the Commission's work. We do not think we should condemn the Commission lock, stock and barrel. Otherwise we would have had to introduce a motion of censure. Our job is to pronounce on the 1982 budget, and we should thus restrict our criticism to that period of time.

For this reason the matter at issue here is not public criticism of individual commissioners or the Commission President but rather, as Mr Aigner has said, criticism of the 1982 budget. You, Mr Tugendhat, were throwing up a smokescreen again just now when you said that virtually all the budget was implemented.

## Schön

That is not true! You cannot deny the truth of the statements in Mrs Boserup's report that, for example, only 31 or 32 of Parliament's 63 amendments regarding appropriations for payment were taken up. That is only half right, and you cannot deny it!

As regards the rebates to the United Kingdom and the Federal Republic, we are not concerned with how you justify that *a posteriori*. We are concerned here with Parliament's recognition of the fact that you acted illegally after we had rejected the budget. And then when some of your officials say we made a good profit, and no losses, on the currency exchange . . . well, really! First you act illegally, then you justify it by saying you actually made money on the deal . . . That is ridiculous!

Just read what the Court of Auditors said on the subject. It stressed that this was a matter for the discharge authority. I would also remind you of what our honourable friend Notenboom — unfortunately no longer a member of the House — said in March 1983. He spoke literally of 'an affair which the discharge authority will have to settle'. Now, the European Parliament is the sole discharge authority. Thank goodness, the Council can only make recommendations here. Thank goodness, we can use this instrument as a vehicle for policy, and we propose to do just that!

Unlike you we are eager to make policy, and thank goodness, we do not have to share this power! And so I would remind those members of the House who are still humming and ha-ing because they think rejection is too extreme a measure that, if Parliament has the power to grant a discharge, it also has the power, on the basis of the information obtained by the discharge authority, to refuse to grant a discharge.

If we always grant a discharge, and I have said this in my Group, we are each year giving general absolution again. We are washing our hands of the matter; our reports are no use any more — they are just so much waste paper once the discharge is granted. I would remind you of the Irmer report and the Irmer special report on food aid, of the Key report, of my own report, and now we have the Boserup report. This criticism recurs like a refrain right up to 1982, and nothing — virtually nothing — has changed as regards the points we object to. Nor are the answers we have heard just now acceptable to us or to me as spokesman for my group in the Committee on Budgetary Control.

We have considered in depth what would happen if Parliament should refuse to grant a discharge. This is a very interesting question because there are ten different systems in the Member States — we have compared them. Normally such a thing is virtually impossible in the national parliaments, where the majority party normally supports its government. If I were a member of a government party and the opposition accused the government of budget mismanagement in

year X so that no discharge could be given to the finance minister, I would naturally vote against.

Here the game is different. We live in a political triangle between Council Commission and Parliament. What would happen if we were to refuse the discharge? The Socialists have tabled an amendment by Mr Dankert calling on the members of the Commission to take the appropriate consequences. Commissioner Tugendhat once said before this House that if the discharge were to be refused the Commission 'must be replaced'. The available writings also say that any refusal by the European Parliament to grant a discharge in respect of the Community budget would initially have the effect of keeping political responsibility — vested in you — open. And this, the keeping open of political responsibility by your Commission and the Commission which will succeed you on 1 January 1985, is precisely what my Group wants to see. Consequently we shall vote in favour of the Boserup report.

(Applause)

**Mr Simmonds (ED).** — Mr President, I want to make it plain right from the start of my remarks this morning that whilst I agree with many of the criticisms contained in the Boserup report, I cannot accept the inferences made nor the conclusions reached in it. Refusal of discharge of the accounts is one of the strongest weapons that Parliament has at its command; and I believe, following on the remarks by Mr Schön, that if refusal for major reasons is agreed by this House, then the Commission should resign *en bloc*. However, some Members of this House believe that resignations should not be automatic upon a refusal vote. And so what, pray, do we expect of this Commission, six weeks before the end of their mandate, if we refuse discharge on the 1982 accounts, a refusal based on criticism part of which refers back to 1978 and 1979, a period before this college of the Commission was even appointed? It is my view that on the grounds contained in this report, there is insufficient cause for them to resign, and therefore I believe that we shall be wasting, abusing and destroying the power of refusal to give a discharge. I believe that a different vehicle should be used to obtain satisfaction on the issues raised in this report.

Early in the new year, Parliament will consider a report from the Political Affairs Committee which will, I hope, call on the new Commission to present its programme to our committees and on Parliament then to vote on that programme and will call for regular reports on the Commission's implementation of that programme, to be followed by a vote of confidence or otherwise in that new Commission. I hope that in using the new procedure, as in the discharge process, we shall not seek to blame or punish the Commission when our real argument usually is with the Council of Ministers, as is the case in part today.



**Simmonds**

During the course of the debate, both in committee and here today, many reasons of detail have been offered as excuses for refusal. One is that the Commission has failed to implement nearly half of the amendments or resolutions passed by this House. And of course we deplore the fact that many of the smaller budget lines have not been implemented in full. But how many Members in this House have examined the quite astonishing collection of resolutions that have been passed by this Parliament over the last 10 years? How many Members attach costs to their proposals? Or indeed, how many Members examine properly whether we have a proper legal basis for some of our demands? For Parliament to vent its frustration over its own inadequacies in this way is not only unfair but ridiculous.

The major financial criticism in the report, Mr President, relates to the Commission's overruling of the financial controller and in particular to four major cases, one of which relates to payments made to the United Kingdom and to its dairy marketing system in the years 1978-79. That criticism is made with the advantage of hindsight, and I believe that that hindsight must not be blinkered. We must remember, firstly, that any alleged illegality relates to a change of regulation late in 1979 and, as I have already said, this report deals with dairy payments in 1978-79. So the 1982 accounts are hardly the right weapon to hammer the Commission with on this point, whatever may be the case in subsequent years. Secondly, it is important to note that the Commission has instituted proceedings to challenge the alleged irregularity. The third, and most important, point is that the Joint Committee on Dairy Pricing in the United Kingdom has changed its policy. To condemn the Commission on this issue is to try to beat them to death with feathers.

Next, the Commission is condemned for making financial arrangements to pay a substantial bill, the so-called British refund, even though Parliament had effectively delayed it by rejecting the budget at its second reading. I choose my words carefully. Nobody in the Commission or in this House envisaged that the budget and that particular line would not be passed eventually. So the Commission made financial arrangements which have been explained so carefully by Commissioner Tugendhat this morning, which in effect saved the Community 85 million ECU or £ 50 million. That refund was not available, as Mr Tugendhat has said, to the British Government until Parliament approved the supplementary budget without significant amendment in February 1983. To condemn the Commission for that action, Mr President, is to try and shoot them with blank cartridges.

Mr President, my group does have serious reservations and feels that we should highlight some of the inadequacies in the report relating to the implementation of food-aid policies in 1982. That same criticism, I believe, must apply to every government and aid organization, judging the matter as we do again with

hindsight and with the knowledge of the appalling situation in Africa today. But this debate is about 1982. Tomorrow in another item we shall be dealing with the current situation. There is certainly not enough evidence in the Court of Auditors' report nor in the report of Mrs Boserup to demand the resignation of the Commission under this heading.

The Commission is further condemned in this report for refusing to implement a late call for a Christmas butter scheme in 1982. When will the Parliament learn that such schemes do not work? They are very costly and merely upset normal marketing systems. In short, I believe that they are empty, expensive, political gestures. Even in 1984 in the United Kingdom, the so-called Christmas butter will not be on sale until after Christmas — further evidence on the folly of those who do not or cannot foresee the stupidity of such artificial intervention.

In conclusion, Mr President, it has been alleged by some Members of this Parliament that my group will never support a refusal of discharge. That is not true. If dishonesty, incompetence or malpractice can be proved, we shall be in the vanguard of those complaining. But that is not the case I submit today. Many of the criticisms made in this report can only be met by giving greater manpower and finance, as Mr Tugendhat again has told us, both of which are likely to be denied even in next year's budget, on which we are to vote today. As a House and as a Community we must recognize that growth in Community influence and Community power is a painful and far from perfect process. Our criticism of the shortcomings of others should recognize this rather more than does this report today. That is why, Mr President, I cannot support the recommendation to refuse discharge before the House today.

**Mr Rossetti (COM).** — *(IT)* Mr President, may I say straight away that the proposal not to give the Commission its discharge in respect of the 1982 budget puzzles me. That is not to detract in any way from the detailed and, from some points of view, punctilious work carried out by the Committee on Budgetary Control, which has had the merit of bringing into focus certain concrete aspects of the difference of opinion that exists, where budgetary management is concerned, between Parliament and the Commission and, from some standpoints, between the Commission and the financial controller.

The criticism of the rapporteur, which is particularly concise and to the point where some questions are concerned, will give us food for thought, and make us press for a more stringent commitment for the future — as Mr Simmonds was saying just now — so as to avoid possible conflicts of competence, and failure to act on the part of the Commission.

I would say, on the other hand, that the Commission's reply dispels some of the grounds for concern, but is

**Rossetti**

not always exhaustive or convincing. There is, for example, what looks more like a defence of office than anything else, in regard to the Commission's behaviour in December 1982 over the purchase of a considerable amount of British currency for a compensation payment, despite the fact that the draft supplementary amending budget which justified it was rejected.

The Commission was convinced that Parliament would have sanctioned the payment in the 1983 budget, as was in fact the case; the Commission was sure that it was acting wisely, because at the time the currency was purchased a considerable saving was possible on the exchange-rate. But the fact remains that, by acting in this way, the Commission has to some extent offended against Parliament's budgetary competence. And it appears that the Commission itself has realized this, if it is true that, in a similar situation this year, it has not behaved in the same way as it did then. We propose seeing this new behaviour as signifying a determination to correct a relationship with the Parliament which, in 1982, did not fully respect the prerogatives of this Assembly even though, as we acknowledge, it had its useful side, on account of the saving that was made.

We also believe that we can see signs of a desire for a more correct relationship with the Parliament in the decisions taken after 1982 with regard to other points which are the subject of criticism in Mrs Boserup's report. I would briefly mention the question of Christmas butter, and the effort made to make the food aid policy operate more effectively.

These are signs — not always entirely satisfactory, not always conclusive evidence — but they are signs, which in our view should be accepted and not undervalued.

With regard also to the criticism of the Commission's inability to implement the Parliament's budget amendments, the point which the Commission makes, that one has to look at the average level of implementation of every individual budget line, appears reasonable to us. However, whilst this line of argument is valid in principle, we have to avoid a situation where the indications contained in the amendments are in effect disregarded. And, on this point, there still remains some doubt as to the Commission's behaviour, even if what it says is true — namely, that in many circumstances there is no legal basis, or there are no regulations and directives for the execution of payments in respect of new actions — and if it is also true that the mechanisms allow expenditure to be spread over not one but two years.

All the same, this does not seem to us to justify an unfavourable overall verdict on the Commission's budgetary operations — over, moreover, four years. From the purely formal point of view, also, that would not be correct: we are talking about the 1982 budget.

And I do not even think that this can justify our refusing discharge for the budget, and I say this for both practical and political reasons.

As far as the practical reasons are concerned, the Commission is on the point of completing its mandate. In two months' time we shall have a new Commission; the consequences of a vote against discharge, or a vote of censure, could not have any material effect.

As for the political reasons, the points made by the rapporteur should all be borne in mind, but I do not think they represent all that can be said about the work of this Commission, both in general and in relation to the 1982 budget itself. Even though our general verdict may not always be favourable, it does not seem right to us to sack the Commission in this way, at the end of its period in office.

Without prejudice, therefore, to our commitment and vigilance to ensure that the questions referred to in the report are more completely resolved, we take the view that the Commission should be given its discharge for the 1982 budget.

**Mrs Scrivener (L).** — (*FR*) Mr President, ladies and gentlemen, I should like, on behalf of the Liberal Group, to explain as clearly as possible the stand we intend to take in the vote on Mrs Boserup's report.

I would mention that the question is one of granting or not granting — withholding or not withholding — the discharge to the Commission for the implementation of the 1982 budget. Not, I might add, because I say so, but because the Financial Regulation, the Treaty of 22 July 1975 and the Parliament's Rules of Procedure say so.

The Liberal Group agrees that the implementation should be given the most serious consideration possible, but we must note that the motion for a resolution goes well beyond such an examination. It is in fact a text which has something of the nature of a general reproof of a political nature. It is a motion of censure in disguise. I would even go so far as to say that this reproof seems to have been premeditated. The whole thing reads as though it had been based on the proposition that the Commission must be reprimanded for its policies — that is in fact the right of this Parliament, but let it be seen to be done — by using the discharge. That is not the aim of this procedure, however.

I shall give two examples to illustrate my remarks and I refer to Point D of the Motion for a resolution: 'Dissatisfied with the performance of the Commission over the past four years in regard to EC affairs generally'. Is that the rôle of the 1982 discharge?

May I take also Point 5: 'Considers that . . . the overall management of EC affairs by the Commission during the past four years was inadequate and unsatisfactory'.

**Scrivener**

We have of course tabled amendments for the deletion of those paragraphs but in its present form this resolution, which does not dare to reveal its true nature, is unacceptable.

At the beginning of my speech I indicated that the debate on the discharge concerned the implementation of the budget — in this case the 1982 budget, to which I now turn. We were deeply shocked, as some points of the motion for a resolution rightly stress, by a series of omissions by the Commission for the 1982 financial year. The transfer of funds from Community accounts when the Parliament had just rejected the 1982 supplementary budget is certainly extremely reprehensible and we have had the opportunity to put that point several times to Mr Tugendhat.

It is not acceptable, either, for the Parliament to approve a budget which contains the seeds of truly common policies — and which is of course quite different from a simple administrative budget — and then for the European Commission finally to ignore it by implementing only very feebly the appropriations granted. The case of food aid is an obvious example here.

If we cannot vote to withhold this discharge we still have many grounds for failing to grant it. Any other course of action would imply that the Commission could do as it pleased, which would not be the way to make sure that the European Parliament was taken seriously.

Our position should be seen as a message to the new Commission — a warning. The events of 1982 must not be repeated. The future Commission would do well to take careful note. Thus we wish to be constructive, turning our thoughts to the future and not merely making an empty gesture.

Mr President, ladies and gentlemen, for all these reasons the Liberal Group has decided to abstain. In so doing we wish to demonstrate neither complacency nor bias.

Finally, Mr President, I should like to mention, at the very moment when the Council has just completed its text on budgetary discipline, with the dangers which that involves for our institution, that the Commission and the Parliament are two privileged partners. They should all the more provide one another with mutual support. We must be objective; that has often been the case and we cannot wipe out the past by means of a single vote. It is true that problems, some of them serious, have arisen. These have just been mentioned and henceforth the most sensible thing to do would be to take a lesson from them for the future.

*(Applause from the Liberal and Democratic benches)*

**Mr Mouchel (EDA).** — *(FR)* Mr President, ladies and gentlemen, as we consider once more the proce-

dure for granting a discharge to the Commission of the European Communities for the 1982 budget we are today faced with a considerable problem, as the rapporteur has clearly shown.

First of all we might consider the technical problem. On 10 April last the Parliament decided to postpone until the end of September 1984 the granting of a discharge for the 1982 financial year pending detailed replies and proposals from the Commission, as required in view of the omissions noted in the implementation of the 1982 budget. It is quite clear that the Commission has not produced any effective proposal and it has even refused to submit certain basic documents.

So what are we to do if not to take up the powers conferred upon the Parliament and embodied in the Financial Regulation to monitor and approve the implementation of the budget? If when faced with such a situation — with the serious nature of the omissions made by the Parliament in implementing the 1982 budget and the management of certain policies, in particular the common agricultural policy as regards the organization of milk markets, this Assembly fails to exercise its authority to refuse to grant the discharge, we are as good as saying that the power of discharge is worthless in Parliament's hands.

It is worth stressing that the power of discharge must not be systematically used as a weapon in the hands of this Assembly, nor must it be reduced to a mere administrative control. As a technical control the discharge is above all a political power. Herein lies the second and most important aspect of the problem, which the rapporteur has also made quite clear. What is the instrument for the granting of a discharge if it is not a power in the hands of the Assembly for the active supervision, realization, management and implementation of policies and projects decided in the budget?

In that sense it is a power which perfectly complements the budgetary powers, of which it reveals itself to be the necessary extension. In fact what is the point of voting a budget in, of inserting projects and drawing up priorities for it, if subsequently the budget which is implemented goes against the one passed? Therein lies the real political problem of the implementation of the 1982 budget which, in our opinion, justifies the motion to refuse to grant the discharge drawn up by the Committee on Budgetary Control.

Without going again over the very detailed explanations given, the European Democratic Alliance sees two basic reasons which go beyond mere administrative negligence on the part of the Commission and which fully justify the refusal to grant the discharge.

In the first instance, when Parliament blocked the payment of financial compensation in the supplementary budget of January 1982, Mr Commissioner Tugendhat

**Mouchel**

took the initiative of paying funds into the British Treasury, thus rendering the Parliament's vote on the second reading quite meaningless. This we condemn more as a political error than an infringement. In the second instance, when implementing that Community budget the Commission decided to ignore the opinion of its financial controller who had sent the British Government a corrective statement in the sum of 750 million ECU in respect of its infringements over the past four years of the Community arrangements for the milk market.

Not only did the Commission exonerate the United Kingdom from any repayment, but Mr Tugendhat also deprived the European Parliament of its rights of budgetary control by failing to give it access to information in the file, which he had nevertheless undertaken to present. That was another political error. For these reasons we deem it necessary to follow the proposals of the Committee on Budgetary Control and of its rapporteur.

*(Applause from the EDA benches)*

**Mr Dimitriadis (DR).** — (GR) Mr President, colleagues, the Group of the European Right views the question of granting a discharge to the Commission in respect of the 1982 budget with great circumspection. We believe that in implementing this budget the Commission manifestly engaged in specific actions which ran counter to the political will of the European Parliament.

We could, in good faith, make light of isolated cases of digression from the policy laid down by Parliament, digressions which the Commission needed to make during the course of the year. One could justify the little acts of fine tuning which every institution needs to make when implementing a budget. But in the case in question we believe that the Commission displayed a cavalier indifference towards the decisions of Parliament and even engaged in actions which were in breach of Community legislation and, perhaps, of its own laid-down procedures.

Mr President, the political responsibility for the Community budget rests, and must rest, with the European Parliament, since it is the political body which has been directly elected by the peoples of its Member States. Any attempt, from whatever quarter, to vitiate the rôle of Parliament must be countered with the necessary rigour. So we come to the question. Should we grant the discharge or not?

The Group of the European Right believes that by granting the discharge we should be ratifying, or at least acquiescing in, a budgetary implementation which ran counter to the regulations and the expressed political will of Parliament. By granting a discharge we should be granting the Commission an indulgence for its sins. To do so would be careless of the future,

because the new Commission would see in it the opportunity to repeat the tactic of its predecessor.

For this reason our political group will support the Committee on Budgetary Control's recommendation to withhold the discharge. We believe that by doing this Parliament will be safeguarding the exercise of political control over the allocation of European taxpayer's money as provided for in the Treaties. At the same time, we are of the opinion that in recording its decision Parliament should leave no room for malicious criticism and political exploitation by those who are dogmatically opposed to the Community idea.

We face a specific problem — the bad implementation of the 1982 budget. Let us face this problem and record our decision without rancour, without political insinuations, without arbitrary conclusions and generalizations. In this respect, Mr President, our political group has certain reservations about the way in which the proposed decision has been set out. However, we believe that we shall be able to give expression to our wishes by voting accordingly on the various amendments which have been tabled.

**Mr Dankert (S).** — (NL) Mr President, it was, I think, Maurice Faure who wrote in one of the documents for the Dooge committee, that a Parliament, which has the rights which the European Parliament has — I quote in English — 'Is doomed to oblivion or overstatement and more often than not to both'.

Mr President, as this debate is an important one, I think that we should try to stay somewhere between 'oblivion and overstatement'. Mr Aigner, Chairman of the Committee on Budgetary Control, said that this was not intended as personal criticism, either of the Commission, or of individual commissioners, to which I should like to add that political criticism always involves people. In July 1971, the commissioner, Mr Tugendhat, himself made it clear that the discharge procedure is a political one. That is as it should be.

Mr President, there are a number of points in the discharge resolution which I shall not go into, but which I hope will not be adopted by Parliament. I wish to concentrate here on one point, which the commissioner also dwelt on very strongly just now, namely the question of the 1982 rebate for the UK, which Parliament rejected.

It is of course impossible. Parliament, the budgetary authority, rejects part of the budget, and what does the Commission do, the Commission transfers the money. I think that it is a very political matter, which must be viewed in a political light. Even now, two years later, for the very simple reason that we have a Court of Auditors to consider precisely how it is to be done, in consultation with Parliament, and to give a considered opinion in the light of the Court of Auditors' previous experience in such matters.

**Dankert**

The Commissioner said quite clearly that the Commission's actions in transferring the money were motivated by the hope that in this way it would be possible for Parliament and Council to reach agreement. Mr President, I find that explanation incredible! Truly incredible! How precisely does it fit it? By transferring the money to 'special bank accounts' — that is what the Commission called them — the money remained the property of the Commission. That is true. But naturally something happens to the money. The Commission's accounts are in England. At the very least, from that point on it behaves like money.

Secondly, the Commission's accounts are with the Treasury, and in accordance with financial practice that simply means that the British government uses the Commission's money in exactly the same way as my bank uses the money in my account. There is not one iota of difference. It means that from the point of view of cash balances, balance of payments problems and the like, from the moment when the Commission transferred the money, the British government reached a position which it should have reached a good two months later, after the supplementary budget had been approved by Parliament. Mr President, it is a serious, I think a very serious, matter. When the Commissioner says that the money was handed over in order to facilitate an agreement between Parliament and the Council, it is not only incredible. I think that it is also absurd, because what the Commission did in fact was to weaken Parliament's negotiating position on the classification of the British contribution. Weaken it, because at the time of the negotiations, the British government had access to the money. I think that this point alone is sufficient to justify a refusal of discharge.

The Commissioner said with a certain irony that there is no safer moment to refuse to grant discharge than six weeks before the retirement of the present Commission. I think that is in fact a serious point. I would rather have had the refusal at a time when the discharge could be postponed, and not now, at the end of the year, six weeks before the retirement of many of the present commissioners. I therefore agree that there is a problem.

But, Mr President, on 30 April 1984 Parliament also adopted a decision on its internal rules specifying that it must be possible within the framework of the discharge procedure to give individual Commissioners with specific responsibility for the matters under discussion in the discharge procedure and for the decisions which Parliament takes with regard to the Commission the opportunity of taking the responsibility individually and taking the consequences.

Mr President, I think that during this difficult phase we cannot in fact disrupt the Community by using a motion of censure to call on the entire Commission to resign. I think that in these very special circumstances, where there is a very specific responsibility on the part

of one commissioner, we can call upon that commissioner to accept responsibility.

**Mr Clinton (PPE).** — Mr President, we are fortunate to have in this Parliament a Committee on Budgetary Control that has put up a very creditable performance ever since it was established. This is not just my view, it is a view that has been frequently expressed from all sides of the House.

I take it that we all want to see the valuable work that this committee is doing continued in the future. We want to see this committee getting every possible facility and cooperation to ensure that money provided by the Community taxpayers is spent to the best possible advantage and strictly according to Community rules.

We now have more than sufficient evidence before us to prove that there have been serious infringements of these rules, which have cost the Community budget very sizeable sums of money. Yet we are being advised by the Commission that the discharge for the 1982 budget should now be granted. Is this not tantamount to saying to the Committee on Budgetary Control: Work as hard as you like, make all the investigations that you will, but do not take any effective action to combat serious breaches of the rules or to ensure that monies received through these breaches are speedily refunded? As I see it, if discharge is to be granted in circumstances where the taxpayers' money has been misspent, while at one and the same time causing serious distortion of trade, then this committee should be disbanded without further delay. Its work will have become a waste of time and effort.

I have asked the Commission before now what amount of money is being drained from the limited budget we have each year by fraud of one sort or another. I have got no reply. I know quite well that it is not an easy question to answer, but we all know that we are talking about a very substantial sum. It is all the more necessary therefore that action against offenders be taken with all possible speed in order to have these monies refunded.

As I see it, there is no way that discharge should be granted until at least the result of the infringement proceedings against the United Kingdom with regard to differential pricing for whole milk, as operated by the milk marketing boards in the United Kingdom, is first known. This, in my view, amounts to a great scandal. What I am being asked by the Irish Dairy Co-op is when we are to get back the money taken from us through the manipulation of prices by the British dairy boards. And the Community taxpayers want to know why it has taken more than six years to clear up this mess and get the money refunded.

These are serious questions that must be answered. We have to meet the people face to face and we are expected to know the answers. I have a question with

**Clinton**

the Commission for months now in an effort to get some information on this subject and I am still waiting for the information.

**2. Welcome**

**President.** — Ladies and gentlemen, Mr Mart, President of the Court of Auditors, has taken his seat in the Official Gallery. I am sure that you will all join me in conveying to Mr Mart a cordial welcome and our appreciation of his presence during our debates.

(Applause)

**3. Discharge in respect of 1982 budget (contd)**

**President.** — The voting is due to begin at 12 midday. Since we have only a few minutes left before the debate has to be closed, I would ask the five speakers left on the list — Mr Chambeiron, Mr Lalor, Mr Martin, Mr Bocklet and Mr Alavanos — to waive their right to speak and to submit a written statement instead, in order to allow Mr Aigner and Mrs Boserup to make the necessary explanations and also to allow the President of the Commission to reply.

**Mr Simmonds (ED).** — Mr President, did I understand that you are also asking Mr Thorn not to reply to the debate? I think it would be perfectly monstrous, having her add some of the accusations made this morning, if the Commission were denied the opportunity to reply in full.

**President.** — Mr Simmonds, I only asked the speakers left on the list to proceed in this manner in order to take account of our restricted time and enable the rapporteur, Mr Aigner and, of course, the President of the Commission to reply.<sup>1</sup>

**Mr Chambeiron (COM).** — (FR) The excellent report drawn up by Mrs Boserup — I am almost tempted to call it an indictment — is hard on the Commission but is, in our view, fully justified.

Since it is essentially in the sphere of the budget that the few powers of this Assembly lie, it is only right and proper for it to aim to exercise strictly the controls on expenditure for which it, together with the Council, has responsibility.

Reading the report gives food for thought and for questions.

I note, for example, that when the EAGGF accounts for 1978 and 1979 were being cleared some strange events were brought to light by the Committee on Budgetary Control as regards certain sums advanced to the United Kingdom in the milk products sector. The attitude of the Commission, which had a duty to set in motion the procedures for the recovery of the 864 million ECU unduly paid to the United Kingdom, requires a more convincing explanation than that provided hitherto.

It is strange that it should be the United Kingdom which receives undue payments and that nothing should be done to recover them. I am thinking in particular of the overpayment of a thousand million units of account on the Community's contribution to the British budget for the 1980 and 1981 financial years.

I know that it is fashionable in some quarters of this House to pull the common agricultural policy to pieces; there are repeated complaints that it poses too heavy a burden on the taxpayers of certain countries in northern Europe. But once again I have noted from a reply given by the Commission to one of our colleagues, that the 1980 regulation on sheep made it possible to pay to the United Kingdom more than 90% of the amount spent for that project in 1983.

It would appear that there is an attitude of favouritism towards the United Kingdom, calling for an answer from the Commission, which we expect to give real explanations rather than evasive statements.

These few considerations are sufficient grounds for us to vote for the Boserup report, which we find impressive. It is a pity that it is to be watered down by the approval of certain amendments.

**Mr Lalor (RDE).** — The Boserup report now before us obliges us to give a clear reaction to the way in which the Commission has managed the affairs of the Community over the past four years. As the taxpayers' representatives, we are expected to check carefully the way in which the Commission implements the annual budget.

The Committee on Budgetary Control proposes that we refuse to grant a discharge to the Commission in respect of the implementation of the 1982 budget of the Community. Thus, it expresses the strongest possible dissatisfaction with the way in which the outgoing Commission managed our affairs.

Having read the text of the draft decision and the accompanying explanatory statement, I must say that I am convinced that this House has no justifiable alternative but to vote for the refusal of discharge. The six principal failures of the Commission are summarized in a stark and clear fashion. In my brief comments, I propose to deal with only three of them.

<sup>1</sup> Mr Chambeiron, Mr Lalor, Mr D. Martin and Mr Bocklet agreed to the President's proposal to submit their speeches in writing.

**Lalor**

The first is the Commission's payment of three-quarters of a billion ECU to the British Milk Marketing Boards in circumstances that run counter to fair competition within the Community. At first, I was surprised not to find this aspect mentioned in Mrs Boserup's text. However, I realized why she did not mention the subject when I read the footnote to paragraph 22 of her explanatory statement. Here, the Commission takes on its own shoulders the responsibility for a major irregularity. The Commission made its decision far too hastily. Whilst not renowned for acting speedily in the normal course, it overruled the financial controller's veto within a matter of hours, even though the relevant file was most sizeable and very complicated in this case.

The payments in question helped to finance operations that undermined fair competition and orderly market conditions. At the present moment, the Irish Milk Marketing Board — Bord Baine — is pursuing a legal case in the British courts arising out of these irregularities.

The second matter that I wish to mention is the failure of the Commission to make available to Parliament the background papers that we need if we are to reach an informed opinion on the steps which led to the taking of decisions affecting three-quarters of a billion of taxpayers' money. Of itself, this refusal to make available the relevant papers would warrant a refusal of discharge. Taken in conjunction with the other weighty issues raised in the report, the case for condemning the Commission's failure is overwhelming.

The third issue concerns food aid. More and more people in Europe are becoming aware of the cruel hardships experienced by the starving millions in Third World countries. It is the wish of the general public, and of the European Parliament, that at least some of the surpluses of food that we produce should be shared with those unfortunate people.

In the circumstances, it is outrageous to read, as we do, that in 1982 the Commission was guilty of procrastination in implementing the wishes of Parliament in the matter of food aid. Even worse, the relatively modest amounts provided for were cut back severely, and 12 months elapsed after the necessary money was voted by this House before about one-third of the amount proposed by Parliament was despatched.

For all these reasons, the European Parliament has no choice but to refuse to grant discharge to the outgoing Commission and to call on it to draw the necessary conclusions from this grave political condemnation. This political act on our part will, I hope, make the incoming Commission fully aware of its accountability to Parliament.

**Mr D. Martin (S).** — Mrs Boserup has outlined the issues that need to be taken into consideration in relation to the decision on the 1982 discharge.

Moreover, they were voted on last April in plenary sitting, and the result — 169 for, 0 against and 10 abstentions — was a very clear indication of the fact that Parliament was convinced that there are serious issues involved.

I do not propose to speak about each issue. However, I think that food aid is a clear example of the Commission's failure to respect the wishes of Parliament. In December 1981, Parliament voted appropriations for over 160 000 tonnes of food aid. It was intended to help in the campaign to eliminate hunger in the world. A decision was reached on 3 December 1982. This was almost one whole year after Parliament adopted the necessary appropriations in the budget. Then, the amount of aid was reduced to 72 000 tonnes.

In many spheres of Community activity, negligence on the part of the Commission can be tolerated. However, in this case, I think it simply cannot be accepted.

UNICEF pointed out that in 1982 because of malnutrition and related diseases, 40 000 children died every day. In addition, thousands more lost their sight from a simple lack of vitamins.

Against this background, the Commission's failure to do everything possible to ensure 160 000 tonnes of food aid — which is available in mountains all over Western Europe — is criminal. Criminal is not too strong a word to use in the circumstances.

Other speakers have dealt with the failure of the Commission to respect Parliament's will as expressed by the rejection of the supplementary budget; the Commission's haste in overruling the financial controllers; the Commission's refusal to make certain documents available to Parliament in its control capacity; the management weaknesses about which the Court of Auditors has been protesting for years. For my part, I would protest most strongly about the food aid issue. Parliament should refuse discharge.

This is our last opportunity of passing a view on the present Commission while it is still in office. We cannot ignore its failures, we cannot let the Commission off the hook. Its financial management is just not good enough.

**Mr Bocklet (PPE).** — (DE) Mr President, colleagues, the conduct of the Christmas butter scheme in 1982 is a particularly striking example of the Commission's indecisiveness and bad management, such that it is not possible for us to grant discharge. The Christmas butter scheme is, admittedly, an expensive marketing scheme. Which is why it is all the more necessary when implementing it, to do everything possible to achieve maximum coverage and to keep costs low. Where the Christmas butter scheme is concerned, that means that the cut-price butter must be on the shelves in the shops by the beginning of November at the

**Bocklet**

latest. Only under these circumstances can we hope to obtain the optimum market enlargement of about 30%.

In 1982 the Commission was unable to reach agreement for a long time because the advocates of selling butter to the USSR blocked the Christmas butter scheme and vice versa. When the butter did finally reach the market in December, it was long after housewives had finished their Christmas baking. In consequence the success of the marketing campaign was minimal and the costs were unjustifiably high. For each extra kilo of butter sold, the costs amounted to DM 22.00, whereas for the comparable schemes in 1977 and 1978 they were between six and ten marks. As a result the Community incurred additional costs of more than 100 million D-marks.

From the beginning the Commission was aware that the success of the Christmas butter scheme depended on its being started early enough and that any delay would reduce the success of the operation. Therefore it must be said here and now that, in full knowledge of the consequences of delaying the start of the scheme, the Commission failed to set aside its internal differences in good time, and thus knowingly allowed the costs to rise. It is for this reason that the Commission must bear full responsibility for the failure of the scheme.

At the beginning of today's debate the Commission objected that it did in fact admit that a mistake had been made, but considered that this was an isolated incident and that therefore it could not be used as grounds for refusing to grant the Commission discharge for the full 1982 budget year. One could agree with this line of argument, if the procedures described were not typical of the Commission's style of operation. The progress of this year's Christmas butter scheme shows that the Commission has learnt nothing from its earlier mistakes.

Therefore anyone who takes seriously the supervisory role of the European Parliament will be unable to grant the Commission discharge for 1982.

**Mrs Boserup (COM), rapporteur.** — (DA) Mr President, I must be very brief, and when one is very brief one is perhaps a little more brusque — there is no room for social pleasantries.

Mr Tugendhat had a series of criticisms of the text. One of them was the question concerning the proposed amendments on whether or not promises were fulfilled. On that I can only say that I take that reproach quite lightly. It is not directed against me. The disagreement is one we have had with the Commission for years. It is mentioned in reports by Lord Bruce of Donington, Mr Battersby, Mr Schön, etc. How long will it continue?

Then there was the matter of the supplementary budget which was not adopted. Mr Tugendhat cannot seriously be meaning to reprove us for failing to condemn the Commission for that action as far back as January 1983. Is Mr Tugendhat asking us to make a condemnation without having a real and carefully worked out basis for such a condemnation? Naturally we could not do that then. We can do it now. We have the Court of Auditors' Report for 1982: there the matter is described in the minutest detail, and there can be no running away from it. We had of course to wait for a proper investigation and we naturally do not pre-judge the Commission on grounds which are too unsure, once Mr Notenboom, for whom we had great respect, had worked on the matter.

Then there was the matter of the financial controller. On that point I should like to say that it is strange to tell us that the question does not pertain to 1982, since we are well aware of that fact. But when should we in fact have done anything about it when we heard only in 1984 about the happenings in 1978 and 1979? We would have been glad to hear about them in 1979, but that was unfortunately not possible and we simply cannot put the clocks back. But I will say in this connection that in agreement with Mr Aigner and also following discussions with political colleagues, I am willing to delete the matter from the report on condition that, given time and the necessary information, we are able to go carefully through it in the Committee on Budgetary Control. That will perhaps be a disappointment for Mr Clinton, but we have in any case been accommodating.

Mr Tugendhat maintains that the 160 000 tonnes of grain are not from 1982. But it cannot be reasonable for Mr Tugendhat to maintain such a thing. It *was* a 1982 matter. There is no doubt about that. Mr Tugendhat would otherwise be maintaining that the Court of Auditors was indulging in gossip. I do not believe it, and I have, moreover, seen the relevant entry.

Then I have been much upbraided for our having written in general terms about the management. But I did so deliberately, because I really think that these stories about the fitness centre and Ispra and so on are rather embarrassing. If Mr Tugendhat would like to know what I really mean, he can read a British report entitled 'Financial Management in Government Departments'. That was actually prepared at the request of her Britannic Majesty, and it actually does contain what I am referring to. If we wish to go into detail we might consider a report drawn up by the Court of Auditors concerning administration with the title 'Del-peck'. Indeed I had to read it in English. I think it is splendid.

In any case I cannot see how we can get out of the situation except by taking a step considered by some to be ridiculous, as there are only six weeks left, whereas there are others who say it is fortunate that there are only six weeks left. For me it is a secondary con-



**Boserup**

sideration whether there are six weeks or six months left. I have worked on the basis of facts and have therefore not had regard to the calendar. I would have liked to dispatch this matter in April, and it is not my fault that that did not happen.

**Mr Aigner (PPE), Chairman of the Committee on Budgetary Control.** — (DE) Mr President, I think that first of all we should look again at the agenda and consider whether, in cases like the present, the Commission should be allotted more time than Parliament. It is unacceptable! If there are to be debates like this, Parliament must be able to answer the Commission accordingly.

Mr Thorn, please, forgive me if, owing to lack of time, I express this somewhat harshly: what you offered us today was prayer-wheel mania. You repeated exactly the same thing over and over, even though we have already discussed it a hundred times in committee, and although the opinion of the Committee and of the Court of Auditors together is entirely contrary. What is the point of this constant repetition, when it has been refuted in discussion long ago? Mr Simmons, I have only one thing to say to you, if you think that what we have decided here is foolish, my reply is that in committee, your Group, with a single exception — Mr Price abstained — approved our control and the consequences of it. How can you as a newcomer say that everything that has been done is stupid? Quite simply you thereby denigrate the work which a committee had done over the years, with the support of your Group.

Mrs Scrivener, thank you very much for your remarks. You said that we found some things shocking. But if a parliament, or a group, is shocked, can that be remedied by reaching for the agenda and issuing a Persil coupon? There has clearly been a breakdown somewhere!

Mrs Boserup, I am very pleased that you support the whole thing. We are aware of the problems in the Socialist group. I propose that we delete Paragraph 2 subparagraph c, i.e. that we take it out — France, Belgium and Denmark are involved, not just Great Britain, in four cases where visa was refused — and that it be dealt with in a separate report. We can then continue to discuss it with the Commission and perhaps obtain more information.

Mr Tugendhat, and Mr Thorn, a final word to you, do you still stand by your view that Parliament is not entitled to see the ruling of the Court, on which your opinion is based, together with a decision which has to be subjected to Parliamentary control, even though the Commission, Mr Tugendhat, maintained the contrary four years ago? We have had no reply to this question.

Anyone who does not now support this virtually unanimous decision of the Committee for Budgetary Con-

trol is weakening not only the Commission, but also the Parliament and thereby the European Community. I therefore ask you to vote in favour of the motion. It can only serve to strengthen our parliamentary position and to strengthen the collaboration between Commission and Parliament.

(Applause)

**Mr Thorn, President of the Commission.** — (FR) Mr President, ladies and gentlemen, let me reassure those still in need of reassurance — my speech will be very brief. Why? Not simply because of the question of six weeks which has received so much attention — far too much attention in my view; it will be brief in particular because I do not think this is the time, after the group meetings, to go over the details again. On the contrary I should like to restrict my comments, as some speakers have done, to the political aspects of the discussion, since my colleague, Mr Tugendhat, has already dealt with the other aspects. I shall not, in spite of certain requests and in spite of my own wishes, be able to return to some points of criticism, since it would take too long and I hope that Mr Aigner will forgive me.

The points I wish to make are chiefly on essential matters of a political and institutional nature and I hope that every member of this House intending to make a political gesture at Mr Aigner's behest will remember that. Too much damage has already been done by unnatural alliances and by a lack of appreciation of what their effect would be.

Mr President, ladies and gentlemen, I shall comment on the text as it now stands, since I cannot tell what might happen as regards the various amendments.

In what is proposed all the Commission's activities throughout its term of office are called in question, in an aggressive manner which neither we nor the outside world can understand, by virtue of the draft decision on the discharge for the 1982 financial year. I want this to be clear. In the circumstances I must emphasize that it is the body collegiate as such which is challenged, as provided by the Treaty, and not some of its members, as some members of this Assembly seem to wish.

My colleagues and I, Mr President, consider that if there were to be a majority for the refusal on the basis of the current draft decision the Parliament would on the one hand be guilty of a misuse of procedure and on the other would be making an evaluation based on insufficient grounds.

There would be a misuse of procedure because the discharge, ladies and gentlemen — and here I am not speaking in our own defence but in defence of the institutions — must be concerned only with the implementation of the 1982 budget by the Commission. A number of the criticisms made have nothing whatever

**Thorn**

to do with the implementation of the budget or with the year 1982. Read the texts again.

Our institutions, Mr President, are so vulnerable and we have so many institutional squabbles — we are only just getting over one — that I, as retiring President, would say to you: do not set new precedents; do not start new institutional quarrels!

In the second place there would be an evaluation on insufficient grounds, since neither the observations of the Court of Auditors nor the actual activities of the Commission warrant such a radical reaction as refusing to grant the discharge for 1982. No-one in this House will be surprised to hear me say this and repeat it.

As Vice-president Tugendhat has just said, our Commission gave a full and, in its opinion, closely reasoned reply even if it did not necessarily bring 100 % satisfaction to the majority of the observations and criticisms which Parliament thought fit to put forward.

The Commission has, moreover, paid the fullest possible attention to the wishes of Parliament in the management of subsequent budgets.

Mr President, it is our impression that our arguments are not always even given a hearing or a reading and that what we have here is a dialogue between the deaf — and I am not referring to one or two specialists — but certainly not a dialogue on points of detail, which I deeply regret.

In the circumstances the refusal to grant a discharge is bewildering, you will agree, and appears to be inspired by an incongruous collection of contradictory considerations which are quite foreign to the discussion. There are some members of Parliament — only a few, thank goodness — who want to seize this opportunity to re-iterate their hostility to the Community. They head the list; you know who they are and so do we.

Mr President, if I might speak now as representative of a political body and a politician myself to other politicians. You have just said — quite separately from certain aspects of budgetary law which we recognize — that this is an essentially political decision. Let me therefore repeat: beware of unnatural alliances. Beware of certain temptations and resist them, not in the interests of publicity, but in the interests of the Community.

Mr Aigner, we have known each other for twenty-six years, I think. We met in this very forum, the European Parliament, although in another building.

You called us poor dogs because the Council will not take the action which the Commission proposes. Very well! If we are poor dogs then there are a great many poor dogs in this Community — starting with the 434 members; we are in good company.

There are millions of people in the Community who are poor dogs because within the Council we have not *one* country, but *all* governments, Mr Aigner, taking turns to block the path of progress, since decisions must be reached unanimously. The criticism is a little harsh if we are accused of not making any proposals. The drawers are full of proposals which have not been taken up. But what is the alternative when our governments reach decisions by unanimous agreement? We make progress, but painful progress. One might give what is known — if you'll pardon the expression, you have used other terms — as the 'smack in the teeth', the resignation chop or the door-slam. You know, in a house so badly built as ours and so fragile one cannot go slamming doors all the time; there are already quite a number of draughts. We cannot engage in permanent revolution. But day by day in the field we must try to keep the Community progressing, having tried for four difficult years to hold it together.

I am sorry it is so little. Now we should be beginning to see the daylight at the end of the tunnel. I regret that sometimes we have not been more open to compromise, since I should like to show to you, who want to see Europe as a Community, that if you are not open to compromise you refuse contact with the Council. Then it is the argument of the *least* European which sweeps the field, on which we are no longer to be seen — the third power — so important in the work of Jean Monnet for bringing progress to the whole. That is what I wanted to tell you briefly, my old friend.

And then I am not sure what sauce you want on your Commission, but I would say that you are adding too much butter . . . Careful now, it is not good for your health, particularly in certain ways. We do not want to go too deeply into the question of Christmas butter, but once the operation has been completed, upon your initiative, and once the economic results are known, everyone will be able to judge and to draw the appropriate conclusions. I shall say no more. So much for butter.

Mr President, I must remind the House that the Treaties intended that our Commission should be independent. Independent in the interests of the Community as a whole. And you will be right each time you sound the warning, as you have done in the past, to my successors, to take care, to remain independent; this Commission must never become the secretariat of the Council, otherwise the Community is finished. It must equally never become the secretariat of the Parliament!

(Applause)

This is what the Treaty requires. Our three institutions must remain independent or nothing will work. Please do your utmost then, ladies and gentlemen, to protect that independence.

## Thorn

Then there are those who seek to attack certain individual members by refusing to grant the discharge. I have said what I think of that. Others have a particular problem or nation as their target. I understand them. We have made every effort to solve this problem. But the Commission is not there to act against a Member State but for all the Member States, since its aim is to act for the Community. Is this the moment to place all at risk just when we are overcoming this problem and trying to recapture unity and when the next Commission will have some chance of drawing breath and making a new start?

Mr Aigner, the committee chairman, said earlier that if the Commission is weak, the Parliament is weak. I am sure of it. And for the most part — fortunately, and in spite of all that has been said and irrespective of the way the House votes — we are and shall remain side by side no matter what. Then, if you are right, Mr Aigner, let me be the one to give the warning — do not weaken the Commission by excessive criticism, precisely because, according to your own formula, you will be weakening the Parliament!

Then there are those who wish to give a message to the new Commission as a hint to conform and be more docile in its dealings with Parliament. I think I have made it plain what I think of that.

Finally there are all those who in refusing to grant the discharge are intending to express their disappointment and irritation at the stagnation in the process of European integration. Ladies and gentlemen, quite frankly the entire Commission shares your disappointment and irritation. Consider though what the refusal to grant the discharge will change. It will only add one more confusion in people's minds to so many others. It will risk weakening the Community.

If the Parliament really considered that the Commission's activities were as bad as some people have claimed — and, Mrs Boserup, you have always said so and will probably never cease to say so, but if that is what you think then there is a specific provision under Article 144 of the Treaty which gives you the right, or practically places you under an obligation to express that conviction without ambiguity. Let us not prevaricate with one another about the Treaty.

I cannot help thinking that the Parliament and the Commission, especially at this moment, at the crossroads, have better things to do than to get embroiled in a wretched quarrel about a past which has already been forgotten by the European public and which would risk weakening the determination of two institutions to fight side by side in the essential battles of the future. There are plenty of important dates on the timetable before you, before us — whether they concern budgetary discipline, in which we are always at your side, or other problems — for which we need to join forces rather than divide them. I hope that you will bear that in mind when voting.

Rest assured, Ladies and Gentlemen, Members of the Parliament, that, whatever happens in the vote, the Commission will be by your side, always ready to do its duty, often thankless, often painful, but absolutely indispensable.

*(Loud applause)*

## IN THE CHAIR: MR PFLIMLIN

### President

**President.** — The debate is closed. We now proceed to the vote on the motion for a resolution.

### Title: Amendment No 9

**Mrs Boserup (COM), rapporteur.** — (DA) By way of introduction to the proposed amendment, I must say that we have not had an opportunity to deal with it in committee. I must therefore make my observations on the understanding that although I feel I am in agreement with the committee, I cannot be certain. Amendment No 9 is against the committee's majority.

### Explanations of vote

**Mrs Veil (L).** — (FR) The explanations of vote in this case fall at a rather strange stage, since we have already voted and already know what the result of the voting is to be, as it seems likely that the voting on the motion for a resolution as a whole will be identical to that expressed on Paragraph 6.

My group abstained. It did so not because it considers that the Commission's administration has always been perfect and faultless or that there are no grounds for criticizing the Commission for not following the suggestions put forward by the Parliament as regards some specific cases mentioned in the motion for a resolution and in particular as regards the scrupulous management of the 1982 budget, but because there is a procedural error — as, moreover, the President of the Commission stressed. If one reads the whole of the report and motion for a resolution it becomes clear that it is not a question of criticizing the Commission for its administration of the budget, but for its activities over a period of four years; and that this gesture is being made six weeks before the end of the Commission's term of office. Parliament is wishing to perform a political act, since it considers that the Commission has not been sufficiently dynamic and active and has not managed things properly. The Liberal and Democratic Group considers that in taking this action the Parliament has picked the wrong procedure and the

**Veil**

wrong opponent, since it is in fact the Council — and the President of the Commission stressed this point — which lacks the political will required for the correct administration of the Community, ...

*(Applause from the right)*

and when I say the Council, I am referring to the various successive governments. We are rather worried here to see how readily Parliament makes scapegoats instead of trying to pinpoint the responsibilities. When I see national interests again spring to the fore as clearly as we have seen them do in the past few days, I am amazed that once again we should make the Commission the scapegoat instead of trying ourselves to bring progress to the Community, as we should do. This would, moreover, be a collective measure in which we see maximum confusion and maximum ambiguity, since it must be said that many speakers stressed that they were referring more particularly to the performance of one commissioner.

Finally, we abstained and did not vote against the refusal to grant a discharge since we do not see any need to give the Commission a 'Satisfactory'. As I have said, a number of time-limits were not badly respected [sic], certain responsibilities were not really assumed, and we should want to give a pointer to the new Commission, but what would be the point of making matters worse in a Community which is ailing, not to say very sick? We should assume our responsibilities and not simply wash our hands of them today by refusing to grant the discharge.

*(Applause)*

**Mr Klepsch (PPE).** — (DE) I wish to make the following statement on behalf of my Group. Since our motions have been adopted, the opinion which Mrs Veil just expressed on the contents of the Boserup resolution is not, I think, relevant.

*(Applause)*

We have just eliminated from the text anything relating to the work of the Commission as a whole over four years. We want to express quite clearly our desire to work with the Commission closely and well. It was for this reason that we introduced these motions for amendments, and we are pleased that they have been adopted.

In our view we now have to ensure that the veil of oblivion is not drawn across the points at issue, which we have all supported, and that they are seen to be still unresolved and still under discussion. We cannot grant discharge to something which has not been explained satisfactorily. That is why our Group continues to support the Boserup report.

The next Commission should however — and here I agree with Mrs Veil, except that our conclusions are

different — be informed of the points to which this House has objected, in this case for 1982, to make it clear that we stand by the decision of the House.

Our Group has no wish to denigrate the work of the Commission as a whole. In many cases we have worked together closely, as we must also do in the future. I wish to underline everything the President of the Commission, Mr Thorn, has said on this point, but we shall confirm this in the final vote for the reasons I have stated.

*(Applause)*

**Mr Arndt (S).** — (DE) On behalf of the Socialist group I wish to say that we are not looking for a general settling of accounts with the Commission, that we are concerned only with the question of the budget as a result of examination of the 1982 budget.

I should like to remind the President of the Commission that we had of course, in the discharges for 1979, 1980 and 1981, already drawn the Commission's attention to what was likely to happen if insufficient attention continued to be paid to the opinions of Parliament, not because we are the Parliament, but because we are the budgetary authority. That is why, contrary to what Mrs Veil said, my Group is actively concerned about the implementation of the 1982 budget.

I should like to add one more point. I have to correct a mistake on the part of my Group. We voted inadvertently against Mrs Scrivener's amendment No 1. In fact we should have voted for it, but the results of the vote were clear. We also voted therefore in favour of amendment No 2. I should like to draw your attention to the fact that one of the basic requirements is met. It has now become clear that it is budgetary matters that are involved, and I cannot understand how anyone can suddenly abstain.

There is something else I wish to make clear. The paragraph relating to the Milk Marketing Board has nothing to do with any errors which may have been committed by that organization. We have established that it acted entirely correctly. Our reproach is directed solely against the Commission, which should have issued other instructions to the Milk Marketing Board in good time. I repeat, this paragraph is not aimed at the Milk Marketing Board! I shall be pleased if we vote accordingly. We must simply require the Commission to give proper notice to the people concerned.

I hope that the majority which voted in favour of Paragraph 6 will also be in favour of the motion as a whole, and I also hope that the new Commission will also view it positively, as an indication of our desire to help the Commission in its role as the powerhouse of the Community and defender of the Treaties. It is in

**Arndt**

this light that it is to be understood and that is the way the majority of my Group will vote.

**Mr Møller (ED).** — (DA) When I vote against the decision I do so because I do not want to plunge these Communities into a new, large-scale and incalculable crisis. We have enough crises and we are still in a potential crisis situation with many questions in many fields. We must not have a new vicious crisis.

I should like to explain the point about the debate on the discharge. A discharge is refused when there is some muddle in the accounts. There is no argument put forward today to the effect that the accounts are not in order. A discharge is refused if appropriations have not been granted and the executive authority has used the money. That has perhaps happened — I am thinking in particular of the refund to Britain in the autumn of 1982 for which there were no appropriations. That is an error and a serious omission, but it was made good in the spring of 1983, and if the feeling at the time was that the matter was so serious then a motion for a vote of censure should have been set in train, since Parliament does have that weapon in its hands. We could have passed a motion for a vote of censure against the Commission almost two years ago and that would have had the same effect as if we refuse today to grant the discharge.

It is not crucial whether appropriations are used; there has been such strong criticism that appropriations have not been used. In my opinion, appropriations are authorizations to the executive authority to spend the amounts, but there is no obligation to spend them. If the opinion in either the Committee on Budgets or the Committee on Budgetary Control was that the appropriations should have been spent, the vote of censure should have been used and not the weapon of refusing to grant the discharge for accounts which are, moreover, in accordance with the principles of accountancy.

I must therefore vote in favour of our granting the discharge in order to avoid new crises.

**Mrs Nielsen (L).** — (DA) The Boserup report is, to put it mildly, a mess. It is quite clear that there has been an attempt to mix up the last four years of work within the Commission with Parliament's duty to approve administration of the budget for 1982. When a report is so wretched as in this case, the Parliament and also the Commission are placed in an impossible situation, and that cannot be our task. It is quite clear that what we have before us is the work of an anti-Marketeer whose intention is to put a spanner in the works. In fact, Mrs Boserup is running errands for the Danish Communist Member, Mr Jens Peter Bonde. I cannot accept that. I cannot vote for that under any circumstances. I intend to vote against and say, just as Mrs Veil has said on behalf of the Liberal Group, that

there are naturally some areas in which we can criticize the Commission for the way in which it has carried out its duties. That is our task. But it is not Parliament's task to create problems. It is Parliament's task to solve problems in a positive, critical manner. I shall therefore vote against.

**Mr Price (ED).** — I intend to vote against this motion because it is the result of a lot of muddled thinking. I will take just one example, the most important matter of food-aid. On the one hand, the resolution makes strong criticisms of food-aid administration and policy, but on the other hand, Parliament through its Committee on Budgets has unanimously voted to entrust extra funds to this same Commission administration to carry out exactly the same policy.

In the same way, on the one hand, it is clear from this debate that the Commission is greatly understaffed with regard to food aid, but on the other hand, Parliament's Committee on Budgets has refused moves by my group even to mention food aid and development policy in the list of priorities for extra staff to be voted on this afternoon. There is a whole list of priorities, information for women and a whole lot of other things are included, but on the recommendation of its Socialist rapporteur, the Committee on Budgets would not even include food aid and development policy as being of any priority at all.

This afternoon, unless Parliament reverses the recommendations of the Committee on Budgets and approves Amendment No 800, tabled by my group on the establishment plan, it will be saying exactly the opposite of what it said about food aid this morning.

I cannot support the muddled thinking, and I shall vote against this resolution.

**Mr Alavanos (COM).** — (GR) The members of the Communist Party of Greece will abstain on the whole of this report, just as we abstained on paragraph 6. Not, of course, because we wish to become attorneys for the Commission, which has caused enough problems both for Greek farmers and working people in general. As we see it, this initiative of the European Parliament, at a time when the Commission is on its last legs and when a good few of its members have found refuge elsewhere, with TOTAL and RTL and the like, is a bit like shooting at a corpse. In our opinion, the present institutional quarreling in the European Parliament is, for one thing, a mark of the crisis and, for another, an attempt on the part of the Parliament to extricate itself from this crisis in a negative manner by further tightening the noose on the national sovereignty of the member countries.

Here I concur with the way Mr Aigner set out the problem namely, that the problem for the Committee on Budgetary Control is that the Commission failed to

**Alavanos**

pursue a sufficiently European policy and on many occasions gave in to pressure from national governments. In our view, this initiative of the European Parliament falls into the category of moves aimed at reducing the national powers of each of the EEC's Member States.

For these reasons, the members of the Communist Party of Greece will abstain from voting on the whole of this report.

**Mr Simmonds (ED).** — Like the rest of my group, I shall be voting against this report. In doing so, I wish to remind certain Members of this House, particularly those preoccupied with paragraph 2(c) and the implications on the United Kingdom's dairy-pricing policy, that that paragraph is now out of the report and therefore their reason for supporting the report on the grounds of paragraph 2(c) no longer exists.

Likewise, I would remind my fellow British Members that paragraph 2(b) remains in the report, and I for one will be watching the recorded vote extremely carefully in that respect.

However, we now have an emasculated report. Whatever case there might have been, as a result of the amendments that have been passed, there really is no case for Parliament to use one of its few major weapons against the Commission on this basis. That is why I believe that this Parliament should oppose this report and take a mature, considered step to improve working with the Commission. If Parliament chooses to support this report, it will be merely seen as stamping its foot in a fit of temper like an angry child, and I do not think that is how the European Parliament ought to behave.

*(Applause from the European Democratic benches)*

**Mrs Lizin (S).** — (FR) On behalf of my colleague Karel Van Miert and of myself, I should like to say that we shall abstain for two reasons which were just explained by Mrs Veil. First I think we should not get our wires crossed, as we are doing with Mrs Boserup's report. A discharge is part of the process of accounting and we should not on this occasion covertly take political action which we dare not take overtly. Secondly we think that Parliament would be taking on the wrong opponent if it regarded the Commission as its principal enemy. Our political problem is with the Council and it is with that body that we should settle our problems of competence, not by the indirect method of the discharge. That is why we have chosen to abstain.

**Mr D. Martin (S).** — I shall be voting against discharge and voting in favour of the Boserup report on one major issue. That is the issue of food aid. In December 1981, Parliament voted appropriations of

over 160 000 tonnes of food aid. This aid was intended to help the campaign to eliminate world hunger. A decision was eventually reached by the Commission on 3 December 1982 on how to use this aid — a whole year after Parliament made the appropriations. The food aid was to help the starving and the poorest people in our world. The amount that we approved was 160 000 tonnes. Yet the Commission only applied 72 000 tonnes.

In many spheres of the Community activity, negligence can almost be forgiven, but in the sphere of food aid we cannot forgive the Commission their sins, we cannot let them off the hook on this issue. I received a note from Unicef on the issue of food aid in 1982. They pointed out to me that 40 000 children died every day in 1982 because of the lack of food aid. The Commission was sitting on 160 000 tonnes of grain when we have food stores all over the Western world. On this issue, if on no other, we should refuse to grant a discharge, and I hope Parliament will come off the fence and strongly condemn the Commission for its behaviour in 1982.

*(Applause from the left)*

**Mrs Barbarella (COM).** — (IT) Mr President, we have already explained our position in regard to the Boserup report, but I should like to point out three things by way of an explanation of vote on behalf of our group. In the first place it appears to us that, taken on its merits, this report does not present sufficient grounds to justify our refusing the discharge. Of course, that is not to say that the Commission has not at times behaved in what we consider an unsatisfactory manner, but it does not alter the fact that the facts that have been put before us are, in our view, insufficient. Secondly, from the political standpoint, which is more important, we consider that the refusal of this discharge could create, only two months before the expiry of this Commission's mandate, a situation of political tension — which seems useless to us, at this time — without creating the conditions for better collaboration with the next Commission. Thirdly, and this is the biggest reason, we consider that we have serious problems now before us requiring our attention — I refer to the 1985 budget, and budgetary discipline — and we therefore feel that, with this enormous area of contention before us, it is absolutely useless to put another one on the table.

**Mr Ryan (PPE), in writing.** — It is no joy for me for the second time this week to be attacking other EEC institutions for their shortcomings. On Monday I had to censure the Council of Ministers for their irresponsibility in producing an unbalanced budget for 1985. Today we must censure the Commission for their mismanagement of the budget for 1982 and for their failure even to furnish satisfactory explanations.

## Ryan

Discharge of the 1982 budget must be refused for several reasons, including the following:

1. Parliament having rejected a supplementary budget in 1982, the Commission acted without authority, and therefore illegally, in transferring funds to the UK and Germany.

2. The Commission failed in their duty to oblige the British Milk Marketing Board to cease pricing practices which contravened EEC legislation. As a result, the UK owes the Community over 1 000m ECU (i.e., IRL 700m), a sum in excess of the annual rebate claimed by the UK. Not until Ireland took the issue to the European Court was any action taken by the Commission, and then they suggested overlooking past misbehaviour!

3. The Commission stubbornly refused to accept Parliament's request for a Christmas cheap butter scheme, as a consequence of which butter which could have been consumed by European citizens was stored at extra cost or sold at low prices outside the EEC.

4. There can be no defence to the delay of 18 months in despatching food aid to famine regions. In the light of widespread public anxiety that Europe should be more generous and expeditious in relieving famine, we must censure the Commission for their tardiness and seeming indifference.

These are good accounting reasons for refusing approval of the Commission's operations. The Court of Auditors supports the Parliament's criticisms.

It would be quite improper for Parliament, as the political auditors of the Community's financial accounts, to give approval to accounts which disclose considerable omissions in management, indifference to malpractices in one country, inefficiencies in food aid distribution and disregard for the views of Parliament. Irrespective of who may be embarrassed by a refusal of discharge for 1982, discharge must not be given.

I deplore the shameless canvassing of Parliamentarians by and on behalf of some Commissioners, begging that they be not disgraced by a refusal of discharge in their last weeks in office. I urge my fellow Parliamentarians to repudiate these pathetic efforts to pressurize them into voting for or to abstain from voting on the discharge. The Commission brought disgrace upon themselves by not heeding Parliamentary warnings. Don't let Parliament disgrace itself now by giving approval for wrongdoing and omissions. I hope the media will broadcast the names of all Parliamentarians who, by voting for the discharge or by abstaining or by being absent, condone inefficiencies and irregularities.

Finally, discharge should be refused as a warning to the incoming Commission. One of the drawbacks in the selection of Commissioners is that they tend to be appointed from the closest friends of Heads of Gov-

ernments and the establishments in Member States. Their loyalties do not evaporate on appointment, with the result that their European commitment is not as intense as it ought to be. The new Commission taking office in six weeks' time should be under no illusion. If they fail to assert their European obligations against national conservatism and if they don't heed the warnings of this Parliament and of its Budget Control Committee in particular, they too will face censure and a refusal to discharge their financial accounts.

*(Parliament adopted the resolution)<sup>1</sup>*

**Mr Thorn, President of the Commission.** — (FR) Mr President, I shall be even more brief than last time. All the arguments have been expressed. I cannot hide our profound disappointment, the Commission's disappointment, at this vote and our disquiet about the abuse of procedure. We do in fact believe that a decision of the Parliament — that is democracy — is a decision and that we must accept it. That has never prevented a Parliament from making a mistake. On this occasion the wrong procedure has been used and the wrong opponent chosen.

I do not have to change the Commission's attitude particularly after, how shall I put it, the amendments which sweetened the explanations of vote, including Mr Arndt's. I shall not add a futile gesture to votes which are futile from the point of view of their operational results. We shall quite simply continue to do our duty.

*(Mixed reactions)*

It is not for us to decide what comes next. I am certain that the future Commission, mindful moreover of Parliament's powers as we always were, will follow the policy which it considers necessary in the interest of the Community. Even if there are those, led by Mrs Boserup, who would oppose it, there is only one policy for Community progress, which is to do one's duty in the face of the whole world and to strive towards progress. That is what we are trying to do.

*(Applause)*

## 4. 1985 Budget: Votes

**Report by Mr Curry, on behalf of the Committee on Budgets, on Section I: Parliament, of the draft general budget of the European Communities for the financial year 1985 (Doc. 2-955/84)**

*Title III, Item 3707: Draft Amendment No 689*

**Mr Curry (ED), rapporteur.** — Mr President, we have already voted 200 000 for precisely this same purpose.

<sup>1</sup> The rapporteur spoke *in favour* of Amendments Nos 4, 7, 8, 12, 22 and 25; and *against* Amendments Nos 5, 6, 9, 11, 13, 17 to 19 and 21.

**Curry**

I do not see the point of voting a second amendment for a smaller amount with precisely the same effect. Effectively, we have covered it. This amendment is no longer of any interest.

**President.** — Do the authors wish to withdraw the amendment following the rapporteur's explanations?

**Mr Arndt (S).** — (DE) I take the same view. The adoption of Draft Amendment No 88 has made Draft Amendment No 689 practically superfluous.

*Chapter 100: Draft Amendments Nos 736, 721/rev., 725 and 730*

**Mr Curry (ED), rapporteur.** — Mr President, with respect, I think that Mr Nord's amendment should be put first because it calls for the higher amount, and then the Committee on Budgets' amendment, which is for a smaller amount. If you reverse the order it might help Parliament in its choice.

**President.** — Very well. I shall therefore put Draft Amendment No 736, by the enlarged Bureau, to the vote.

*Motion for a resolution**After paragraph 13: Amendment No 1*

**Mr Curry (ED), rapporteur.** — Mr President, the amendment to the actual budget corresponding to this amendment in the text did not receive a majority vote. Therefore, I think it must fall as a consequence of the earlier vote.

**Mr Nord (L).** — (FR) The amendment on the budget received a majority here, but since 218 votes were required, it did not come into force. This is a simple resolution in which the Assembly is telling the Bureau what it wants it to do or not to do. The two things are perhaps linked, but they are not identical, and I believe that it would be a mistake if we did not take a normal vote on this amendment which I commend to the House.

(Applause)

**President.** — I understand Mr Curry's point, but, formally speaking, I think that the amendment in question is not inadmissible since we are now concerned with the resolution.

*Explanations of vote*

**Mr Wijsenbeek (L).** — (NL) Unlike several of my countrymen, I have not voted in favour of amendment 1 and the associated amendment. I think we have to get to the root of the problem. I have therefore tabled a resolution which I hope all members of this Parliament will sign. Its main concern is that as Europeans we should be able to think and act in a European way.

If we as a Parliament are continually pressing for equal pay for equal work in the Member States, we should begin with ourselves. The text which I have tabled reads as follows:

"Parliament, in view of the lack of any reaction from the Council to the proposal made by Parliament for uniform payment for Members of the European Parliament, unilaterally establishes a uniform salary for Members, amounting to a percentage of the salaries of the Members of the Court of Justice. As a corollary of this unilateral decision Parliament intends to request national parliaments and accounts departments to cease to make payments to Members of the European Parliament. In addition, having established a uniform salary, Parliament intends to reimburse subsistence and travelling allowances exclusively on the basis of the actual costs incurred."

Mr President, if we do not make a start on equal pay for equal work, what kind of Europeans are we? It is unacceptable for some Members to have to depend on travel and subsistence allowances for a decent income; some of our Irish Members earn less than our own drivers!

**Mr Croux (PPE), in writing.** — (NL) We have voted in favour of Mr Beumer's amendment abolishing indexation. We think that all the financial provisions should be revised within the framework of a separate statute for the Members of the European Parliament.

We therefore request that before the second reading in December it be made clear in the resolution that the recurrent financial difficulties over payment of Members of the European Parliament can, to a large extent, be blamed on the lack of a separate statute. In addition it should also state what Parliament wants to do to remedy this.

There is regular criticism of certain aspects of the payment of expenses, but nothing is clear as regards payments as a whole, national plus European, nor as regards the duties of Members of the European Parliament and the associated costs and charges.

According to the Treaties the Council of Ministers has power to lay down the essentials of separate regulations for Parliament. Despite repeated requests from Parliament, the Council has not taken any decisions.



**Croux**

Despite the wide differences between the rules of the various national parliaments, which also apply to the Members of the European Parliament from each Member State, it is quite possible to lay down a separate statute for the European Parliament.

Such a statute must be based on a reasonable comparison with the regulations of the national parliaments on the basis of objective criteria, including the range of duties, the number and duration of sittings, geographical distances and circumstances.

The allowances as a whole, and not just expenses, must take into account attendance at plenary and also at committee and other working groups. There should be greater differentials in the travel and subsistence allowances and they should take into account the distance between place of work and home.

Payments in ECU within the framework of a separate statute will make it easier to absorb fluctuations in exchange rates and rates of inflation.

*(Parliament adopted the resolution)*

*(The sitting was suspended at 1.30 p.m. and resumed at 3 p.m.)<sup>1</sup>*

IN THE CHAIR: MRS PERY

*Vice-President*

**Report by Mr Curry, on behalf of the Committee on Budgets, on Section II: Council, Section II, Annex: Economic and Social Committee, Section IV: Court of Justice, Section V: Court of Auditors, of the draft general budget of the European Communities for the financial year 1985 (Doc. 2-954/84)**

#### SECTION IV

*Establishment plan: Draft Amendment No 613*

**Mr Curry (ED), rapporteur.** — Madam President, the President this morning judged inadmissible any amendment not receiving three votes. If we are to be consistent in our procedures, then I think perhaps you should do the same.

**Mr Pitt (S).** — Madam President, could we be quite clear on that ruling? It was in fact made on Tuesday morning, I think. The ruling is that amendments receiving less than three votes are not taken unless

there is written confirmation signed by 21 Members and given to the President one hour before the debate.

**President.** — My dear Sir, I can assure you that this has been taken account of.

#### SECTION V

*Chapter 100: Draft Amendment No 717*

**Mr Curry (ED), rapporteur.** — Madam President, the amendment does say that this is earmarked for Chapter 11. A revision was put in to remove that remark. It has not appeared in the text. I would be grateful therefore if the House would accept that this should be voted without that provision.

**President.** — Mr Curry, would you mind explaining again?

**Mr Curry (ED), rapporteur.** — Madam President, the text actually says 'provisional appropriations earmarked for Chapter 11'. There is a revision which simply says 'provisional appropriations'. For some reason the revision has not appeared. Therefore, to conform precisely to the Committee on Budgets vote, we should omit that proviso.

**President.** — Very well, Mr Curry, we will remove the proviso.

*Article 260: Draft Amendment No 617*

**Mr Curry (ED), rapporteur.** — Madam President, Amendment No 617 had 25 votes for, none against and no abstentions.

**President.** — Mr Curry, my difficulty is that the information I have been given is contrary to what you have just said.

**Mr Curry (ED), rapporteur.** — Madam President, we kept a very careful note, and this amendment was adopted without opposition and even without abstentions.

**President.** — Mr Curry, since you are rapporteur I will take your word for it.

<sup>1</sup> For objections to the list of subjects for Topical and urgent debate, see Minutes.

**Mr Curry (ED), rapporteur.** — Even without being the rapporteur, Madam President, I usually try to tell the truth.

*(Parliament adopted the resolution)*

\*  
\* \*

**Report by Mr Fich, on behalf of the Committee on Budgets, on the draft general budget of the European Communities for the financial year 1985, Section III: Commission (Doc. 2-965/84)**

**President.** — With regard to Section III, I should like to say something to the chairman of the Committee on Budgets.

I have been told, Mr Cot, that at certain points in the procedure you wish to ask for a reclassification so that certain modifications are converted into amendments. I should like you to give me adequate notice of that.

**Mr Cot (S), Chairman of the Committee on Budgets.** — (FR) I should like to say on this point that the Committee on Budgets approved a resolution in which it wished to see certain changes with regard to classification — thus adopting an attitude which is traditional for the Parliament. We shall of course point these out to you each time on the appropriate occasion.

#### *Revenues*

*Article 412 (new): Draft Amendment No 230*

**Mr Fich (S), general rapporteur.** — (DA) Madam President, I rise on a point or order. In connection with the two amendments which have just been put to the vote, you informed the House of the views of the Committee on Agriculture, whereas what you should have conveyed were, of course, the views of the Committee on Budgets; that is what is usually reported from the Chair. I should like to say that the Committee on Budgets took a negative view of the two proposals in question. I would ask you please in future to report the views of the Committee on Budgets and not those of the specialist committees.

**President.** — I should like briefly to consult the House. We agreed in the Bureau not to load our agenda unduly but to confine ourselves to the opinion of the committee concerned. If the House considers that the Committee on Budgets has to be consulted, I would point out that this is not what we had agreed upon.

**Mr Cot (S), Chairman of the Committee on Budgets.** — (FR) Madam President, I entirely agree with what you have just proposed. It is in fact the committee concerned which must give its opinion on the budget; if you will allow, that is the Committee on Budgets.

**Lady Elles (ED).** — Madam President, could you not just inform the House in the cases where the Committee on Budgets is in favour, so that where the Committee on Budgets is not in favour no opinion is expressed? It can therefore be taken for granted and the whole thing does not have to be duplicated.

**President.** — We will adopt that procedure.

*Article 820 (new): Draft Amendment No 739*

**Mr von der Vring (S).** — (DE) Madam President, may I point out that according to the Treaties, the budget must balance. Contrary to existing practice the Committee on Budgets decided that it will be assumed that item 820 balances, so that we are now voting not on the item but on the principle. The item will be confirmed after all the votes.

**Mr Fich (S), general rapporteur.** — (DA) The Committee on Budgets adopted Amendment No 739 with 20 votes in favour, none against and no abstentions. I therefore think that it must be put to the vote in the form in which it was unanimously adopted within the Committee on Budgets. I should also like to stress that it is a very important amendment since it forms the basis for the decisions we are to take later on the annual nature of the budget.

**Mr Fich (S), general rapporteur.** — (DA) I should like to draw attention in particular to two amendments proposed by the Committee on Budgets — No 806 and No 742. One of them provides one extra permanent post and the other 65 permanent posts. If these two amendments are adopted, the Committee on Budgets considers that the rest of the proposals regarding posts not drawn up by the Committee on Budgets would automatically be covered. That is to say that if these two amendments are adopted the rest of the amendments presented concerning new posts may be regarded as covered, since the amendment put forward by the Committee on Budgets makes reference to the fields to which the other draft amendments refer.

#### TITLE I

*Article 184: Proposed Modification No 392/rev.*

**Mr Fich (S), general rapporteur.** — (DA) There are two draft amendments — one from the EPP group

**Fich**

and one from the Committee on Budgets. I should like to recommend the latter, since it contains a compensatory amount for the 5 million which the action concerned costs, and I call upon the EPP group to withdraw their amendment.

**Mr Klepsch (PPE).** — (DE) I agree, Mr Fich.

## TITLE II

*Article 293 (new): Proposed Modification No 757*

**Mr Fich (S), general rapporteur.** — (DA) If we adopt the amendment we shall be entering under this item the reserve for the agricultural fund, guarantee section, which was discussed and approved in the Committee on Budgets. A moment ago we added an extra 8½ million to Item 2061 at Mrs Castle's suggestion. I should like to propose that, in order to keep within the revenue framework we set initially, the 8½ million we used earlier should be deducted from this reserve so that it becomes 1 306.5 million instead of 1 315 million. This is an oral amendment, Madam President, but it is clear that we are obliged to keep within the framework we have agreed at the beginning.

**President.** — Mr Fich is suggesting an oral amendment. Does the House agree to accept it?

*(Parliament indicated its agreement)*

*After the adoption of Proposed Modification No 757*

**Mr Pitt (S).** — Madam President, in presenting his oral amendment, Mr Fich referred to, and I quote, 'the framework we have agreed at the beginning'. Could I ask you to direct me to the decision of this Chamber which set that framework?

**President.** — Mr Pitt, the House has already settled this point. Let us not go back over it now.

## TITLE III

*Item 3263 (new): Proposed Modification No 638/rev.*

**President.** — Proposed Modification No 638/rev. is not admissible and will accordingly not be put to the vote.

**Mr von der Vring (S).** — (DE) The Socialist Group insists on having this put to the vote. There must be some mistake if you have not been informed.

**President.** — I cannot accept your request. The criteria we agreed upon together are clear.

*Item 3291: After the rejection of Draft Amendment No 704*

**Mr von der Vring (S).** — (DE) Madam President, I ask you now to pay attention. The text we have just rejected was rejected with the approval of the Committee on Budgets, and accordingly Proposed Modification No 578, intended as a position to fall back on in that event, has accordingly not been put to the vote. In the view of the Committee on Budgets, No 578 is an alternative position and has the committee's support.

**President.** — The adoption of Proposed Modification No 704 would have caused Proposed Modification No 578 to fall. Now that Proposed Modification No 704 has become a draft amendment, is it possible to adopt a different line of reasoning and still put the proposed modification to the vote? I should like to hear the rapporteur's view.

**Mr Fich (S), general rapporteur.** — (DA) Madam President, I do not think that Parliament can have two different interpretations of the classification. It cannot say that something is at the same time a draft amendment and a proposal for a modification. Parliament is obliged to decide whether it is the one or the other, and as soon as the proposal was accepted from the Socialist Group as a draft amendment the classification was decided.

*(Applause)*

**Mr Dankert (S).** — (FR) When an amendment is adopted by the Committee on Budgets less far-reaching amendments are automatically dropped. Sometimes then an amendment is rejected. I find it unacceptable that when that happens it should automatically become necessary to re-introduce all those amendments which do not go so far as those adopted by the Committee on Budgets. That would be rather a complicated system.

## TITLE V

*Article 509*

**Mr Fich (S), general rapporteur.** — (DA) Just two observations: with regard to the present amendment from the Committee on Budgets, an incorrect version was handed out at the first distribution showing 50 million. A corrected version has subsequently been

**Fich**

handed out showing 60 million, and it was that figure which was decided in the Committee on Budgets. The amendment from the Committee on Budgets is thus 60 million ECU as appropriations for commitment under this item. Let me add, moreover, that these decisions should be borne in mind when we come to the Mediterranean programme in a moment.

*(Loud applause for Mrs Péry as she left the Chair)*

## IN THE CHAIR: LADY ELLES

*Vice-President*

**President.** — On Article No 584, I have Amendment No-v92/rev. from the Committee on Transport, with a favourable opinion from the Committee on Budgets.

*(Parliament adopted the amendment)*

**Mr Fich (S), general rapporteur.** — *(DA)* These two amendments concerning Chapter 570 are identical as regards figures, but there is an essential difference between the explanatory statements from the Committee on Regional Policy and the Committee on Budgets, inasmuch as the Committee on Budgets emphasizes that we are expecting a letter of amendment from the Council in which the Council assumes responsibility for this expenditure. The Committee on Budgets therefore naturally prefers its own amendment.

**President.** — I accept your comment, Mr Fich. Of course, on Amendment No 92/rev. we did have a favourable opinion from the Committee on Budgets, of which I informed the House, as I had thought that that was a necessary comment, but I am grateful for your additional comments.

## TITLE VI

*After the vote on Amendment No 135*

**Mr Arndt (S).** — *(DE)* Point of order, Madam President! I wish to return to the voting on Articles 560, 583 and 649. There are two motions from the rapporteur, Mr Fich, which are deemed to have been withdrawn, provided that the preceding amendment of the Committee on Budgets was adopted. But that amendment of the Committee on Budgets was rejected and I therefore move that there now be a vote on Mr Fich's amendments as they were withdrawn only on the proviso that amendment 753 was adopted. I therefore

request that the sitting be suspended and that there be a meeting of the Committee on Budgets.

**President.** — Mr Arndt, we are in the middle of voting. These are the amendments that have been carried.

**Mr Arndt (S).** — *(DE)* I am sorry. Let me repeat once more: the President said that the Fich amendments had been withdrawn. They were withdrawn only on condition that amendment 753 was adopted. That is on the order paper and was stated expressly. But amendment 753 did not get a majority. So the two amendments are automatically restored by the Committee on Budgets. That was the overwhelming view of the EJ majority in the Committee on Budgets. I cannot help it if the vote went that way. But in any case we now need to suspend the sitting so the Committee on Budgets can give its opinion. This is one of the items which is essential to the budget as a whole.

*(Applause)*

**President.** — Mr Fich, could I have your view on the request made by Mr Arndt?

**Mr Fich (S), general rapporteur.** — *(DA)* My recollection of events as they occurred in the Committee on Budgets was that the two draft amendments which follow were not put to the vote — and that was also clear from my notes — since the very amendment we have just voted on and which was rejected covered these two amendments of mine. That was the situation. The Committee on Budgets has therefore never expressed a view on the two amendments which bear my name and I have at no time in this Chamber said that I withdraw them.

**Mr de la Malène (EDA).** — *(FR)* Madam President, I support the request for suspension of the sitting put forward by the chairman of the Socialist group. When one or two groups request a suspension it is customary to grant it immediately. We were due to suspend the sitting at 6 p.m. for half an hour, so all we need do is bring forward that suspension by half an hour, in accordance with the Socialist group's request.

**President.** — Mr de la Malène, I have had two requests to suspend the sitting. I will therefore put these requests to the vote immediately without debate. If the House so decides, the sitting will be suspended for half an hour.

*(Parliament approved Mr Arndt's request. The sitting was suspended at 5.20 p.m. and resumed at 6.15 p.m.)*

**President.** — The Committee on Budgets has held its meeting, and I would therefore ask the chairman of

**President**

that committee to let us know his decision and that of the committee.

**Mr Cot (S), Chairman of the Committee on Budgets.** — (FR) Madam President, ladies and gentlemen, please accept my apologies for not speaking during the vote on Amendment No 753. It was an important amendment which received the full attention of the Committee on Budgets when it considered it earlier. And during the subsequent vote when we were discussing that amendment, we compared a whole set of similar but not identical amendments, some of which were withdrawn for the sake of the consensus which was emerging within the Committee on Budgets with regard to Amendment No 753. That amendment was very widely supported in committee — almost unanimously — and had the approval of almost all the groups in this Assembly. It therefore appeared that this essential aspect of our scheme would be approved at the plenary sitting.

That did not turn out to be the case.

The vote has been held and there is no turning back. However, Madam President, Amendment No 701 tabled by Mrs Barbarella made slightly different provisions, since there were some explanations in the explanatory statement and since also it was drawn up in a slightly different way as regards the problem of lines. What is clear is that when Amendment No 753 was rejected, your committee chairman should have asked immediately for Mrs Barbarella's amendment, which was thus back in the running, to be put to the vote. And that is what the Committee on Budgets would ask you to do. It seems to me, and it also seemed to the Committee on Budgets that such a decision clearly requires, from the point of view of procedure, the assent of this plenary session as a whole. I therefore ask you to take a procedural decision to consult our Assembly on putting Mrs Barbarella's amendment, No 701, to the vote. If the Assembly agrees, which would be of decisive importance, we could vote on Mrs Barbarella's amendment, No 701. That, Madam President, is the decision, at which the Committee on Budgets arrived by 30 votes to 7 with 1 abstention, and which I am asked to present to you and to the Assembly.

**Mr Pitt (S).** — Madam President, I rise on a point of order. The fact is that No 701 was withdrawn and has never been debated in the Committee on Budgets, and I ask you, Madam President, in consulting the House to tell us under what procedure we are to proceed if we vote to proceed, because, as I understand it, firstly, you yourself have the sole authority to reintroduce a subject for debate once it has been voted on and, secondly, if an amendment has been withdrawn, it can only be retabled if it is immediately taken over by someone else: That has not happened in the case of No 701, and I propose that we proceed with the Social Fund chapter of the budget.

**Mr Megahy (S).** — I rise on exactly the same point, Madam President. I agree completely with what my colleague, Mr Pitt, has said, and I would refer you to Rule 53(5), which says quite clearly:

Where an amendment is withdrawn by its author, it shall lapse unless immediately taken over by another Member.

That in fact did not happen. There ought not to be any case for consulting the House. Under the Rules you should rule the request of the chairman of the Committee on Budgets out of order and let us proceed with the voting.

**President.** — It is quite clear that there is a division of opinion in the House. There is the opinion we have heard very clearly expressed by Mr Pitt and Mr Megahy and which certainly reflects what I understood to have happened. On the other hand, the chairman of the Committee on Budgets has also very clearly stated that he has had a meeting with the Committee on Budgets and there was a large majority, as he stated in favour of adopting Amendment No 701 and putting it to the vote.

The fact is that there are several rules within the Rules of Procedure on the question of amendments, and I turn at the moment to Rule 74 (4), which I think probably deals with this very difficult situation in which we all find ourselves, regardless of nationality and regardless of political group. How the budget is going to come out at the end of the day is in question. It is a political problem, and I hope that Members will accept this. It is not a national problem any more. Rule 74(4) reads:

Exceptionally, on a proposal from the President, amendments tabled after the close of the debate may be put to the vote if they are compromise amendments or if there are technical problems. The President shall obtain the agreement of Parliament to putting such amendments to the vote.

As I read it, there have been technical problems. There are both procedural and substantive technical problems, and I therefore propose to the House that I put to the vote whether you are prepared to vote on Amendment No 701 or not. I think this is the only course that I can take as President of this Parliament.

(Parliament adopted the proposal to vote on Amendment No 701)

*Item 6000: Before the vote on Amendment No 422*

**Mr Fich (S), general rapporteur.** — (DA) I think that what we are concerned with here, both the amendment we have just voted on, by Mr Pitt, and the subsequent amendments, are already covered by an amendment tabled by the Committee on Budgets on

**Fich**

the Social Fund which was put to the vote a moment ago. I think that we should therefore move on to Item No 6300 before the next vote is taken.

**President.** — Is this agreed by the House?

*(Parliament adopted the proposal)*

We will follow the advice of the rapporteur and go on to Item 6300.

*Item 6403 (new): Before the vote on Amendment No 504*

**Mr Fich (S), general rapporteur.** — (DA) This amendment is covered by a vote we have already held, since we granted these resources for the same purpose by means of Amendment No 166 on Article 263. The voting has thus simply taken place at a different place in the budget and the matter is therefore settled.

*Item 6420: After the vote on Amendment No 144*

**Mr Pitt (S).** — Madam President, I beg your forbearance. Would you please explain to me why you took the amendment tabled by the Committee on Social Affairs and Employment first and not Amendment No 433? Surely the amendment proposing the largest amount should be taken first, and then the others in descending order?

**President.** — Thank you, Mr Pitt, for raising this point. The reason why I took it first is that Amendment No 134 proposes over 1 million ECU for payments, whereas as Amendment No 433 has not put down any sum for payments, but only for commitments. It is the normal procedure to give a payments amendment priority.

*Article 650: After the vote on Amendment No 471*

**Mr Fich (S), general rapporteur.** — (DA) The order of voting used here is not altogether identical to that we followed in the Committee on Budgets. We are therefore caught on several occasions in a situation in which an amendment which has been approved by the Committee on Budgets is not the one first put to the vote here. But it is clear, for example, that the amendment we have just adopted was also favourably received, and I would ask you therefore to mention that fact so that colleagues are in no doubt. Since the two draft amendments tabled by the Committee on Social Affairs and the Committee on Economic Affairs are on the whole identical with that tabled by the Committee on Budgets, they are automatically favourably received. I should be glad if you would mention that also, Madam President, and if there should be any

doubt I shall be glad to explain what the Committee means by these draft amendments.

**President.** — Yes, Mr Fich, I must take the amendments in the order based on which is the furthest away from the subject-matter. But where there is another amendment which has the favourable opinion of the Committee on Budgets I will refer to that before the vote is taken. I think that is the simplest way of doing it. I will certainly try and follow your proposal; but of course, it is not always easy to do so, as you will understand.

*Item 6610: After the vote on Amendments Nos 679 and 207*

**Mr Griffiths (S).** — Madam President, I am sorry to interrupt, but if you follow Mr Fich's advice all the time, sometimes you are going to have to mention six amendments before we take a vote. I would suggest, if you want to mention that the Committee on Budgets is supporting an amendment, you just say that there is another amendment supported by the Committee on Budgets rather than read them all out before we take a vote.

**Mr Fich (S), general rapporteur.** — (DA) I entirely agree with Mr Griffiths. I too think we can save a great deal of time. What I drew attention to was the fact that in a few cases, where the order of voting was different from that followed within the Committee on Budgets, it was not clear where the Committee on Budgets had been in favour. I think we can find out in the process.

**President.** — I am grateful to Mr Griffiths for that advice and I shall try and implement it.

*Item 6702 (new): Amendment No 32*

**Mr von der Vring (S).** — (DE) Madam President, may I point out that the Committee on Budgets rejected this item because it was misled by a heading which referred to 'young composers'. It is however the Youth Orchestra of the European Communities.

*(Laughter)*

**Mr Fich (S), general rapporteur.** — (DA) I confirm in the first place that the Committee on Budgets rejected this draft amendment and that in the second there has been a great deal of confusion about the title. I can thus confirm what Mr von der Vring has said.

**Mrs Ewing (RDE).** — Madam President, may I explain that this is indeed wrongly labelled. However,

**Ewing**

if it is rejected, the result will be that the Youth Orchestra will not be able to make its Easter tour.

*(Loud applause as Lady Elles left the Chair)*

IN THE CHAIR: MR PFLIMLIN

*President*

**TITLE VII**

*Item 7375: Draft Amendments Nos 793 and 352*

**Mr Fich (S), general rapporteur.** — (DA) The Committee on Budgets has given an opinion on this draft amendment. I would, however, at the same time point out that the Committee on Budgets also gave an opinion two weeks ago on the draft amendment put forward by the Committee on Energy. The two things are slightly at variance with one another, but nevertheless the Committee on Budgets gave a favourable opinion on them both.

**Explanations of vote**

**Mrs Faith (ED).** — When I was a Member of the British Parliament, I was known to be a supporter of the European Community. I think it is a wonderful miracle, because I am old enough to remember 40 years ago. And we are all aware of the preceding centuries of strife. I take it very seriously that I am now custodian of this Parliament.

I accept the fact that Parliament has not been properly taken into account by the Commission and Council when they formulated this 1985 budget.

However, it is of overriding importance for the future of this Parliament that the Fontainebleau agreement should be implemented. For this to happen, it is necessary that the correction of the British budget rebate should be on the revenue side. As long as the rebate is open to debate in this Parliament, it is a source of discord and misunderstanding between my country and the other countries of the Community. That is why I could not support the Committee on Budgets' amendment which would have placed the budget rebate on the expenditure side.

I was greatly honoured to be elected earlier this year for the beautiful constituency of Cumbria and North Lancashire in my own North of England, but too few people voted for me. I hope that next time a higher proportion will vote, when the importance of our membership to Britain's peace and prosperity will no

longer be obscured by wranglings on the budget. I believe Europe will have more dynamism once this problem is resolved.

**Mr Fich (S), general rapporteur.** — (DA) Mr President, I should like to present the results of our vote; we have increased appropriations for commitment by 750 million and appropriations for payment by 375 million. In addition, there is, of course, the 1 300 million for agriculture plus the 1 500 million for the refunds. Thus the conclusion is — and this is the central issue — that the budget is financed. With the decision on the revenue side the budget balances and is thus, Mr President, a healthy budget.

*(Applause)*

**Mr Cot (S), Chairman of the Committee on Budgets.** — (FR) Mr President, I should just like to thank those who have made this debate possible and in particular those who have put the texts together, those who have stapled them, the printers, the typists of course and obviously also the interpreters.

*(Applause)*

**President.** — I am glad to associate myself with the thanks expressed by the chairman of the Committee on Budgets, who himself deserves to be thanked, as also the rapporteur.

*(Applause)*

I remind the House that written explanations of vote must be submitted this evening if they are to be published in tomorrow's Report of Proceedings.

**Mr Bocklet (PPE), in writing.** — (DE) The purpose of the Community budget is to include all foreseeable expenditure and to make the necessary resources available to achieve a balanced set of figures to form the basis of administrative action.

Everyone in the House knows that another round of cuts or increases next year will not be enough where agricultural prices are concerned. In spite of this, the majority has refused to propose in the present budget the resources needed for an appropriate increase in agricultural prices. Instead these resources are to be made available in some kind of supplementary budget. In this way Parliament is reckoning on a supplementary budget, which is precisely what it was trying to avoid by including the refund of the British contribution in the ordinary budget.

If, in spite of that, I vote in favour of the draft budget compiled by Parliament, it is because that draft has the advantage of making possible proper organization of the markets in the agricultural sector, for the whole of

**Bocklet**

1985, whereas the proposal from the Council of Ministers only wanted to make available resources for nine months. After this decision, if it is also approved after the second reading, it is the duty of all the political forces to fight to gain also the resources needed for an appropriate increase in agricultural prices in the next year, and I wish to leave no doubt that I consider a considerable increase in agricultural prices to be necessary.

**Mrs Fullet (S), in writing.** — (FR) I should like, as previous speakers have done, to thank Mr Fich, the rapporteur, who has put in considerable effort in a very short space of time to enable us to make headway in this budget marathon.

We thank him on two counts since the broad lines of his report support the Fontainebleau hopes which gave new vigour to the European Community by setting in train the reform of the CAP but also by initiating new policies. These constitute important priorities for us Socialists but they are not the only ones. One priority close to our hearts is respect for the institutions and with that in view we have insisted, for the sake of efficient management, on presenting a budget for 12 months, which is what all national parliaments do if they do not wish to see their States go bankrupt, and which is required, moreover, by the Community Treaties.

We hope that the Council will forgive us for not being in total agreement with the spirit of Fontainebleau on the provisions concerning special measures in respect of the United Kingdom and the Federal Republic of Germany. But are we sure that for their part the Councils of Ministers have acted in line with the agreements?

The amendments we have just adopted make a positive contribution to the 1985 budget, requiring advances from the ten Member States on the own resources of the Community, whether in connection with aid to structures preparatory to enlargement, the guaranteeing of agricultural prices, social policies or new policies or new policies to be implemented in view of the crisis and industrial change.

This fully reflects the desire which we expressed within the Committee on Budgets — the desire to make a little bit more of Europe within the context of a limited budget. The ball is now in the Council's court as it is every year at this time.

It is our fervent hope it will take account of the broad outlines for which we have just voted, otherwise it would be assuming sole responsibility for continuing to keep Europe in a crisis situation. We European socialists do not speak with two voices — one for the hope we express before our electorate and one for the chronic pessimism distilled in the melting-pot of this hemicycle.

As we have agreed, we shall vote for the resolution prepared by our rapporteur in the hope that the Council will understand and that we must have a policy to fit our ambitions.

In conclusion, since it has been said that whilst our fellow-citizens are wondering about their future and that of their children, Europe is squabbling over the budget, I shall echo the wishes of President Mitterrand as I say to the Members of the Council: 'When are we going to bring this little game to an end?'

**Mr Newton Dunn (ED), in writing.** — I abstained with my group on Amendment No 753 and voted with them against Amendment No 701, both of which sought to place the British and German rebates on the expenditure side of the budget, contrary to the European Council's agreement reached at Fontainebleau last June.

I did so against my better feelings, which are always to strengthen the powers of the European Parliament, not in order to support the virtue of the Council, which is very small, but in order to bury for a few years the delays which the annual rebate conflict creates and to allow the Community to concentrate on more serious problems such as high and rising unemployment, the widening economic gap between Europe and its industrial competitors, and the continual obstructive nationalism of Member State governments which prevent the Community from bringing its many potential benefits to the public in Britain and elsewhere.

**Sir Henry Plumb (ED), in writing.** — Since the Pfenig report was passed last month, the opportunity to influence the Fontainebleau settlement passed beyond our reach. We could, if we had wished, have referred that report to committee. We did not. It is now up to the member governments to convert the own-resources decision into binding Community legislation. When they do so the new VAT rules will be enshrined in the Treaty, as immutable as their predecessors.

It is now unrealistic of Parliament to expect to be able to alter the consequences of the Fontainebleau settlement. That is why we refused to support either attempt to reinsert the British rebate amendment on the expenditure side. Any other approach would have been inconsistent with political and constitutional reality.

It is inappropriate to use the annual budgetary process to seek to reassert institutional balance in the Community's budgetary procedure — an overall objective which we continue to share with our parliamentary colleagues.

Perhaps I should add that as someone dedicated to the democratic authority of the European Parliament, I



**Henry Plumb**

am sad that it remains so negligent with respect to the use of its own powers.

**Mr Seligman (ED), in writing.** — I will reluctantly vote for the amended budget, though once more we have missed the opportunity offered by Amendment AG/81, on line 928, to rectify the scandal of charging refunds in connection with food aid to the CAP.

This means that the total spent on the CAP is loaded with a sum of 265 million ECU which is really a political measure of food aid and not a farming expenditure. It also means that the food-aid expenditure by the EEC is understated, and this gives a false impression of what the EEC is doing for starving people.

**Mr Stevenson (S), in writing.** — I shall vote against, because the document, with respect to my friend Mr Fich, I believe to be bogus. The expenditure on agriculture is based on the revised 1984 appropriations, which, of course, include the supplementary budget. So the alleged reduction in agricultural expenditure of 1.81% is in reality an increase of 9%.

This report and draft budget, even with the amendments, point to reductions in NCE so the unemployment and massive social problems faced by the people in Europe will deteriorate. Small crumbs from the massive table of agricultural spending!

The anticipated increase in the Community's own resources is not the answer. We all know that the extra money will be spent on more wasteful intervention buying and storage of surpluses. — This at a time when large numbers of people in the Third World are starving. The draft 1985 budget and this report indicate a cut in real terms for food-aid transport appropriations.

The EEC must face the fact that the CAP is the major problem. The people of Europe and the World are demanding drastic change. This report does not even start to achieve this objective.

**Mrs Van Hemeldonck (S), in writing.** — (NL) Last Sunday, within a few hours, nearly two thousand sig-

natures were collected on a petition in support of the budget amendments in favour of women, as tabled by the Committee on Women's Rights.

This demonstrates what great hope Belgian women place in the EEC. This hope has been fuelled by the ruling of an employment tribunal in the Bekaert case on women's right to full-time employment, which also was in part based on EEC directives on non-discrimination. Unfortunately the EEC budget discriminates against approximately half the population of Europe, by not properly considering the proposed amounts in the European Social Fund, which were intended to do something towards helping unemployment among women.

I therefore abstain from approval of the budget in order to express the disillusionment of women, i.e. of 53% of European voters, and recall what my colleague Mrs van den Heuvel said in the debate, 'The budget sets aside more money for slaughtering sick cows than for the entire campaign on behalf of women'.

**Mr Van Miert (S), in writing.** — (NL) I hereby declare that I shall abstain from the vote on the entire budget, because none of the amendments intended to cut back the excessive expenses awarded by Parliament were adopted.

*(Parliament adopted the resolution)<sup>1</sup>*

## 5. Agenda

**President.** — Contrary to what was said in error on Monday, Mrs Weber's report on the Community's natural resources (Doc. 2-951/84) will be entered, without debate, on Friday's agenda.

*(The sitting closed at 9.20 p.m.)<sup>2</sup>*

<sup>1</sup> The rapporteur spoke in favour of Amendment No 5 and against all other amendments to the motion for a resolution.

<sup>2</sup> For the next sitting's agenda, see the Minutes.

## SITTING OF THURSDAY, 15 NOVEMBER 1984

### Contents

*Mr Provan; Mr de Courcy Ling; Mrs Focke; Mr de Courcy Ling*

1. *Welcome* . . . . . 139
2. *Ethiopia — Sabel — Lomé III (Statement by the Commission)*  
*Mr Pisani (Commission); Mrs Focke; Mrs Rabbethge; Mr Christopher Jackson; Mrs Cinciari Rodano; Mrs Flesch; Mr Vernier; Mr Kuijpers; Mr d'Ormesson; Mr Ciocciomessere; Mrs Castle; Mr Croux; Mr Turner; Mr Alavanos; Mr Antony; Mr Griffiths; Mr Bersani; Mr de Courcy Ling; Mr Fellermaier; Mr Kilby; Mr Stewart; Mr Cryer; Mrs Crawley; Mr P. Beazley; Mr Elliot; Mr Marshall; Mr Pisani* . . . . . 140
3. *Budget discipline — Report (Doc. 2-981/84) by Mr Dankert*  
*Mr Dankert; Mr Tugendhat (Commission); Mr Varfis; Mr Christodoulou; Lord Douro; Mrs Barbarella; Mr De Vries; Mr Musso; Mr Bonde; Mr Pordea; Mr von der Vring; Mr Bernard-Reymond; Mr Chambeiron; Mr Alavanos; Mr Kyrkos; Mr Cot; Mr Pearce; Mr Tugendhat; Mr Curry; Mr Tolman* . . . . . 151
4. *Votes*  
*Mr Dankert; Mrs Veil; Mr de la Malène; Mr Tomlinson; Mr Pitt* . . . . . 163
5. *Environment — Reports (Doc. 2-1010/84) by Mr Sherlock, (Doc. 2-953/84) by Mrs Van Hemeldonck and (Doc. 2-950/84) by Mrs Schleicher*  
*Mrs Weber; Mr De Gucht; Mr Bombard; Mr von Stauffenberg; Mr Antony; Mr Gautier; Mr Sherlock; Mrs Weber; Mr Poniatowski; Mr Schmid; Mr Collins; Mrs Schleicher; Mr Gautier; Mr Arndt; Sir Fred Catherwood; Mr Sherlock; Mr Nord; Mr Guermeur; Mr Muntingh; Mrs Bloch von Blottnitz; Mr Luster; Mr Sherlock; Mr Huckfield; Mr von der Vring; Sir James Scott-Hopkins; Mr Prout; Mr Nordmann; Mr Peters; Mr Narjes (Commission); Mrs Van Hemeldonck; Mrs Schleicher; Mr Pearce; Mrs Weber; Mr Alber;*  
*Mrs Caroline Jackson; Mrs Squarcialupi; Mr Nordmann; Mrs Bloch von Blottnitz; Mr Ulburghs; Mr Narjes; Mrs Lentz-Cornette; Mr Vittinghoff* . . . . . 165
6. *Topical and urgent debate*  
*Famine — Motions for resolutions (Doc. 2-987/84) by Mr Antony and others, (Doc. 2-988/84) by Mr Stewart and others, (Doc. 2-989/84) by the Liberal and Democratic Group, (Doc. 2-990/84) by Mr d'Ormesson, (Doc. 2-1008/84) by Mr Staes and others, (Doc. 2-1012/84) by Mr de la Malène, (Doc. 2-1015/84) by Mr Christopher Jackson and Mr J. Elles, and (Doc. 2-1022/84) by Mr Cervetti and Mr Piquet* . . . . . 182  
*Mr Antony; Mr Stewart; Mr Poniatowski; Mr d'Ormesson; Mr Staes; Mr Guermeur; Mr J. Elles; Mr Vergès; Mr Baget Bozzi; Mr Vergeer; Mr Christopher Jackson; Mr Maher; Mr Kuijpers; Mr Ulburghs; Mr Richard (Commission); Mr d'Ormesson; Mr Staes; Mr Stewart; Mr Almirante* . . . . . 182  
*Poland — Motions for resolutions (Doc. 2-994/84) by Mr Tognoli and others, (Doc. 2-995/84) by the Liberal and Democratic Group; (Doc. 2-996/84) by Mr Coste-Floret, (Doc. 2-997/84) by Mrs Fontaine and others, and (Doc. 2-1002/84) by Mr Romualdi and others* . . . . . 189  
*Mr Pelikan; Mr Beyer de Ryke; Mr Coste-Floret; Mrs Fontaine; Mr Almirante; Mr Plaskovitis; Mr Prag; Mr Segre; Mr Van der Lek; Mr Alavanos; Mr Richard (Commission); Mr Alavanos* . . . . . 190  
*Chile — Motions for resolutions (Doc. 2-1000/84) by Mr Glinne and others and (Doc. 2-1021/84) by Mr Cervetti and others* . . . . . 193  
*Mrs Wieczorek-Zeul; Mrs Cassanmagnago Cerretti; Mr Lalor* . . . . . 194  
*Shipbuilding — Motion for a resolution (Doc. 2-999/84) by Mr Fitzgerald and others.*  
*Ms Quin; Mr Fitzgerald* . . . . . 194
7. *Environment (continuation)*  
*Mr Mertens; Mr Sherlock; Mr Roelants du Vivier; Ms Tongue; Mr Mallet; Mr Kilby;*

*Mr Muntingh; Mrs Lentz-Cornette; Mr Kilby; Mr P. Beazley; Mr Avgerinos; Mr*

*Seligman; Mr Narjes (Commission); Mr P. Beazley; Mr Narjes . . . . . 194*

## IN THE CHAIR: MR NORD

### *Vice-President*

*(The sitting was opened at 10 a.m.)<sup>1</sup>*

**Mr Provan (ED).** — Mr President, I have a request to make of you. You will recall that in September this Parliament adopted a resolution calling for a committee to monitor milk quotas. In that resolution we also asked for a regular report from the Commission on the implementation of milk quotas within the European Community.

There have been various press reports yesterday and today indicating that the Commission are unhappy with the implementation of the milk quotas, and yet they have not come forward to this House and given us any statement. Can we ask you, as President of this Parliament, to ensure that we either have a statement this week from the Commission or, if necessary, some major statement from the Commission at the latest next part-session — in other words, in December?

I think it is absolutely essential that if this Community passes regulations we see, as a Parliament, that they are implemented properly.

**President.** — Mr Provan, we take note of your request and we will get in touch with the Commission to see at what time such a statement can be made.

**Mr de Courcy Ling (ED).** — Mr President, I would like to draw the attention of the House to an addendum to my report on the generalized system of preferences as proposed by the Commission to the Council. The Commission and the Council are agreed that there should be an addendum in favour of Greenland. I am, as rapporteur, prepared to cover this addendum in the debate on my report, which will probably take place tomorrow, but I imagine that it is necessary for the document referring to the matter to be circulated to Parliament before then, so I would be grateful if you would take the necessary steps to have the document referring to the question of Greenland circulated to the whole Parliament so that no one can object in

the course of the debate tomorrow that they are unaware of the matter.

**Mrs Focke (S), Chairman of the Committee on Development and Cooperation.** — I regret, Mr de Courcy Ling, that you did not address yourself to me before as the chairman of the committee. I have written a letter to Mr Pflimlin after having been in contact with the Council on this affair, because I find it preposterous that we finish discussion on a document in committee and have brought it before the plenary sitting of this week without the Commission giving us any indication of having new information to add.

I have asked the Council — because we are not having a debate, we are just voting on your report, Mr de Courcy Ling — to treat this report of yours and the resolution we have already unanimously decided on without the addendum, and we are going to have a second step later on on Greenland, having it brought through the committee as is the due form.

*(Applause)*

**President.** — I think we may take it that this matter is now settled.

**Mr de Courcy Ling (ED).** — Mr President, it seems to me apparent that some private consultation with Mrs Focke is necessary. I hope that this will lead to a speedy resolution of the problem in the interests of Greenland.

### 1. *Welcome*

**President.** — Ladies and gentlemen, the Indian Ambassador has taken his seat in the official gallery.

*(Applause)*

I should like to take this opportunity of addressing a few words to the House in the presence of the Indian Ambassador. Will you please stand.

*(The House stood)*

The President of the European Parliament sent the following message of condolence to the Speaker of the

<sup>1</sup> *Approval of minutes — Documents received — Membership of committees: see Minutes.*

**President**

*Lok Sabha* of India on the occasion of Mrs Indira Gandhi's death at the hands of her assailants on 31 October 1984:

I was dismayed at the tragic death of Mrs Indira Gandhi, Prime Minister of the Republic of India. In the name of the European Parliament, which has for many years enjoyed bonds of friendship with the Parliament of India, I condemn out of hand this further demonstration of violence that in Mrs Gandhi has struck down an eminent personality who has left her imprint on the destiny of her country by devoting her life to the search for peace and unity. I hope that Mrs Gandhi's sacrifice will strengthen the courage of all those who fight for understanding between peoples and for peace throughout the world.

All the Community institutions paid their respects at the funeral of Mrs Gandhi in New Delhi on Saturday, 3 November 1984. The European Parliament was represented by Mr Alber, Vice-President.

I hope Members will join with me in silence to express our grief on this sad occasion.

*(Parliament observed a minute's silence)*

**2. Ethiopia — Sahel — Lomé III**  
*(Statement by the Commission)*

**President.** — The next item is the Commission statement on the food situation in Ethiopia and the Sahel region and on negotiations on the Lomé III Agreement.

**Mr Pisani, Member of the Commission.** — *(FR)* Mr President, please allow me to deal in inverse order with the topics you mention, first the Lomé issue and then the famine in Africa.

As regards Lomé, this House will no doubt remember that, during the debate on 24 October, I spoke for the Commission about the stage reached in the negotiations, and underlined the real chance we had of achieving a positive result in the following weeks.

The negotiations have made progress since 24 October; the European Economic Community has further defined its position, and the foundations have been laid for agreement on the human rights issue.

To cope with the problems of planning, liaison and the quest for effective solutions, the negotiations have come up with a joint text which not only ensures the total independence of the countries benefiting from the Convention, but also establishes a close link between Community aid and the national policies pursued by each of these countries. We will, of course, have to make a great effort in implementing the Con-

vention in order to arrive at mechanisms which are really effective. But at the legal level it seems to us, to the negotiating partners, that the wording has created the necessary instruments.

As for the amount of aid, I told you that according to the rules there are no negotiations on this, but that Community proposes a certain amount to the ACP States. An amount was proposed to the ACP States by the Community, totalling some 7 000 million ECU as part of the EDF, as a budgetary allocation, excluding European Bank intervention. The ACP States rejected this figure since they viewed it as totally inadequate.

The problem then was whether, despite the rules, the Community's Council of Ministers would agree to reconsider the matter. It has done so. A new figure will be proposed to the ACP countries in the next few days, with the final agreement between the Community States within the Council depending only on adoption of a statement to accompany the offer of the amount, which has already been agreed.

As for human rights, there are two levels to this: first, as regards the principle, i.e. the initial declaration, the preamble to the Convention, and then as regards the more practical articles which follow. The negotiators reached agreement that there should be express mention of basic human rights in the Convention preamble, something which had not been achieved previously and had never been incorporated into the previous conventions. Similarly, agreement was reached between the negotiators on Article 4, which refers to the development aims, to human dignity. A number of detailed references have been included here, which I am sure this House will view as a fairly satisfying response to its deliberations, to the concerns it voiced and to its wishes.

I feel it is now certain that when the ACP-EEC ministers meet on the 21, or 22, of this month, they will see that total agreement has been achieved, and that the Convention is ready for signing. It is extremely likely, then, that the Convention will be signed in Lomé on 8th December this year.

Thus, we will have managed — by the deadline set us — to draw up a convention in keeping with the spirit of the previous ones, including a number of new points and reflecting the progress I indicated to you during the debate on 24th October. I think this is an important achievement at a time when the Community is finding it difficult to resolve certain problems. It has demonstrated to the Third World its capacity to take decisions.

I would now like to go on to the second matter, Mr President. The Commission took the initiative in bringing about this debate by issuing a declaration because we felt a number of things had to be said — not only to respond to the arguments expressed, but

**Pisani**

also to take stock of the situation and to outline what should be done for the future.

The first thing I would like to say is that any action by the EEC to fight the drought and its effects, famine, has to take place within a complex institutional system. The EEC, or rather the Commission — which manages the EEC's daily affairs — has by no means the freedom of decision which a national government has. Faced by a given situation Prime Minister or Presidents can take decisions — on their responsibility alone — to dispatch aircraft or wheat. We do not have this freedom. We are caught up in a much more complex network of institutions, and this complexity and this rigidity make it difficult for us to tackle emergency aid issues.

I would ask Parliament not to use the African food aid debate to criticize the institutions, but to consider how the institutions could be changed so that in a crisis — at the very least in a crisis — better more flexible, more suitable, more rapid and more effective solutions could be found. We'll come back to this in a moment.

*(Applause)*

Since I came in for criticism yesterday, and I feel no bitterness about this, you will excuse me if I say that yesterday's debate on the food aid discharge was quite remarkable. How is it possible — and I'm sorry Mrs Boserup is not present now — how is it possible to criticize the Commission for 1982 when the decision on food aid was partly taken in April and partly in November!

*(Applause)*

How is it possible to blame an institution for not using funds which it had not been given! We were not given the funds! The Council and Parliament were involved in the various procedures between them; the Commission did not have the allocations which would have allowed it to dispatch the food aid it is accused of not having sent. I ask that account be taken of the fact that since that year, since 1982, considerable progress has been made, and I am ready to reply to any criticism or any doubts which might still exist. I can state categorically, and everyone will remember this, that most of the food aid allocations were released on 26 April and following the Ferrero amendment, which was meant to release another 180 000 tonnes, no definite decision was taken until November or December. I believe that this constitutes extenuating circumstances, if any are needed.

But the aim of the debate is not to state that the institutions are complex and cumbersome and sometimes get in the way of effective action. The topic of the debate is the situation in Africa and how we are trying to tackle it.

I would like to quote a few figures to give an idea of the situation. As far as we know, and there have been

numerous consultations on this, the following countries require these amounts each month: Mali, 17 000 tonnes; Niger, 29 000 tonnes; Ethiopia, 55 000 tonnes; Mauritania, 18 000 tonnes and Chad, 17 500 tonnes. If one compares the shortfall with the total population then one sees that although Ethiopia is the most impressive case, it is not the worst in terms of population percentage. If I had to say which region in Africa worries me the most, I would place Mauritania ahead of Ethiopia, because one has the feeling that in Ethiopia the dire situation can still be reversed; there is no feeling that in Mauritania the climatic conditions are reversible. The desert continues its inexorable march, and there is even serious concern about the possible existence of this country over the next 10 or 20 years.

So I want to stress first of all how grave the situation is, especially how grave it is everywhere, from the Horn of Africa to Dakar, and not just in this or that country. And neither have I mentioned two countries for which we do not yet have the details, but in which we have every reason to fear needs will be great — Sudan and Mozambique.

What is the foreseeable duration of the crisis? It will certainly last, more or less, from now until this time next year, i.e. from this year's harvest, which has just taken place, until the 1985 harvest. In the meantime it is clear that no improvement is possible unless help is forthcoming from outside. But there is a more serious question — that of our knowing what is certain to happen, what is likely to happen and what could happen after the 1985 harvest.

I have already indicated before Parliament how uncertain things are. As for myself — and I am not a specialist on the subject — I very much doubt that the situation will recover from 1985 to 1986. I have the impression that we are in a lengthy cycle and that the famine or food shortfall in Africa is likely to last years and years, because what we are witnessing is not just a climatological accident, but also widespread ecological damage which might have repercussions for a long time.

The third question in this regard is do we know the difficulties we will face? We face institutional difficulties, as I mentioned earlier, but which the Parliament, Council and Commission have made somewhat easier thanks to the allocation of 32 million ECU. But we also face the problem that the disaster, or rather the scale of the disaster, is something that cannot be predicted. It could not be foreseen that, after two years of serious drought, there would be a third year even more serious still, demanding outside help on the scale we now find ourselves obliged to give. It is the change in scale which is the problem and which has tested our capacity to adapt.

Firstly, there is the capacity to mobilize things here. Then there is the maritime transport capacity, which is

**Pisani**

relatively large. There is also the capacity of the receiver ports. It was only a few days ago that the port of Assab, having changed its unloading priorities, became capable of receiving the amounts that Ethiopia needs. We have the same problems with Chad, and here we also have problems of a diplomatic nature with Nigeria, whose territory has to be crossed in order to reach certain parts of Chad, and which is reluctant to give the go-ahead.

We have problems involving land and air transport from the port of unloading to the remote regions. It is vital to mobilize these resources, and things are not always easy. We can say that after several weeks of hesitation, and even difficulties, we are on the way to overcoming these obstacles and that — thanks to the aircraft made available for fighting the famine, thanks to the lorries made available from general fleets or from military pools, and also thanks to the supply — promised for the next few weeks — of lorries specially allocated for transporting foodstuffs by the Federal Republic and Italy — we will be able to transport by land the quantities we have to the regions we can reach. I would add that in the case of Ethiopia the recent arrival of locomotives funded by the EDF, and intended for the Djibouti-Addis Ababa line, will help to speed up transport.

I would also like to add that among the difficulties we encounter is that of insecurity. There are regions which are very difficult to get to. Northern Ethiopia is the one most often cited. This is true, but the same difficulties exist in certain areas of Mozambique, in parts of Chad, in Sudan, for which I have not given figures, but where I know needs are very considerable. Such questions cannot simply be settled through decisions. One has to see how, via which organizations such as the Red Cross and the NGO's — via what kind of negotiations, it is possible to overcome the difficulties and reach the people we want to reach.

The last difficulty, which is a political one, concerns checking the use made of food aid. There has often been criticism on this point. Last year we had a debate, a rather lively one at that, on the risk we ran of seeing our food aid to Ethiopia being diverted from the purpose for which it was intended and used solely for the army, or even for re-exportation to the Eastern bloc countries. We recently called on our own delegations in the countries concerned. We questioned embassies and the distributing organizations. We will soon have a report on where such food resources go. But I have here a copy of a telegram which was sent recently by Cardinal Basil Hume, the Archbishop of Westminster and Chairman of the Council of the European Episcopal Conferences, to his fellow clergy after he returned from a trip to Addis Ababa. I would ask your British colleagues to excuse my reading in their language of what his Eminence had to say.

'The regime in Addis Ababa is Marxist and can be criticized for its past performance, but I have satisfied

myself that they are now cooperating fully in the relief effort. The official relief and rehabilitation commission is doing its best and was commended by the voluntary agencies and missionaries who deal with it on a day-to-day basis.'

Of course this document provides no certitude, but I believe it would be wrong to draw an opposite conclusion. One thing is certain — doubts do exist and we must keep a check on the situation. However, to me it no longer seems possible to proceed from the premise that food aid is being diverted from its intended use and systematically channelled to other uses. Checks remain necessary, but doubt is also necessary.

I should now like to try to go beyond this analysis, to look further ahead and to ask what comes next. Before I do so I should just like to say that as regards the next three months, I believe that the action taken and the intervention by the whole body of donors — and for Africa, the European Economic Community provides over half the aid — will bring a breathing space. During the three coming months the dramatic situation we have witnessed in the past weeks will certainly get better — it will not be resolved, but it will improve — to such an extent that we will see a reduction in mortality in some of the hardest-hit regions. At least, this is what we have been told by organizations such as the Red Cross. And afterwards? I think it is vital that the Commission take the initiative during January, or even December, and propose a new effort for the months following the next three-month period, i.e. from March or April, otherwise we will again witness — between April and October — the same drama we have experienced during these past weeks. There was a crisis and we tackled it somewhat belatedly. It exceeded our forecasts. We are now in a state of relative equilibrium, which is by no means satisfactory, but there will be relative equilibrium for two to three months. We must now look ahead to what we will do afterwards. But I believe that we must again go beyond this and ask ourselves whether the machinery we have is basically capable of tackling the problems we face, whatever the administrative errors which might be made. My reply is that at the moment we have our doubts. I believe we must work together — Parliament, Council and Commission — to find ways of changing it and ensure that it is also changed in a number of other donor countries, because we are party to international accords as far as food aid is concerned.

To begin with, I believe we must create an advanced forecast system which would rule out any surprises. In this field the FAO system has been improved and we ought to be able to rely on it.

Secondly, coordination must be established between the Member States and the Commission on the one hand, and between Europe and the other donors on the other, otherwise we will have too many supplies at

**Pisani**

certain times and not enough at others, too much of this and not enough of that.

Thirdly, in line with what I have just said, it seemed to me necessary to propose to the Council of Development Ministers, on the Commission's behalf, that a special crisis system be devised with a special crisis team which, when a crisis occurs, would be able to organize things and have recourse to special procedures in order to be more effective. Is it possible that some of our more restrictive rules, which we respect in normal circumstances, could be relaxed as soon as the Council saw a crisis situation and gave a Commission — based body the powers to tackle it differently? It would also be essential for the States likely to be hit by drought or famine to provide us with information on their infrastructure or, where there is none, on the available means of transport, and on the unloading capacity technical and physical, available at their ports. This demands that we transcend the present system, which has consisted, basically, of sending wheat from surpluses whenever there was a need for it. We must ask whether we believe, that, unfortunately, for several years to come drought and famine will be a more than real danger, and whether we agree to change some of our working rules and procedures in order to tackle this more effectively. We will have to have agreements with the States benefiting from our aid, which would ensure that what we provide is not just simply sent somewhere unable to receive it, and that these countries themselves — taking account of their own deficiencies and their own crisis — organize themselves to receive the aid and to distribute it properly.

We must set up buffer stocks, but managing such stocks is not easy. We must be sure that when a silo is emptied in times of need it can be refilled immediately. A buffer stock cannot be set up just once; it must be kept full permanently by means of automatic replenishment, and we must have the assurance that the countries in which these buffer stocks are sited will accept that such stocks are sent to a neighbouring country in greater danger than themselves. But will this be enough? My reply is that of course this will not be enough, and that Europe — as well as the USA, Australia, Canada and New Zealand — have to ask themselves whether the relationship between food aid and agricultural policy should be completely reviewed. Shall we continue to believe that we have an agricultural policy with its own dictates, producing surpluses which can serve as food aid, or will we recognize the fact that food aid is one of the elements which determines agricultural policies in countries which do have production capacity?

*(Applause)*

This is a very basic issue.

The Commission will take the initiative on these various subjects — which the crisis has forced us to look at or to look at more quickly — and produce with

proposals in stages, since some topics warrant lengthy study while others can be dealt with more quickly.

Mr President, excuse me for taking up so much time, but the topic certainly merits it. I would like to close by making two remarks. The first is that the fight against hunger cannot, and must not, divert us from the struggle to increase production capacity in the countries affected.

*(Applause)*

We would be building an uninhabitable world in constant conflict if some thought they could regard themselves as the feeders of others. Security of food supplies is not a world concept. It is a national or regional concept. Europe should strive to contribute to the security of food supplies for all the countries with which it has relations, especially the African countries. But food aid, however costly, should not divert us from our efforts to make these countries self-sufficient!

*(Applause)*

I would like to devote my last remark to the storm of public opinion, past and present, to the anxiety expressed by many of our fellow citizens, to the anger whose reverberations even we have heard — by which I mean that the relationship between the public and the administration is always a difficult one. For the administration cannot drop everything and rush headlong into action when an exceptional situation exists. But neither can it be allowed to maintain its normal pace when an exceptional situation is in the making. We have to find some method of smooth transition between a permanent system of day-to-day management and a capacity to mobilize at a given moment, and this in such a way that the public feels that everyday matters are being attended to, but that when the situation demands, there can be a complete change of pace and direction in order to aid human beings.

These, Mr President, ladies and gentlemen are the things I wanted to tell you.

Allow me to end with a very mundane remark: if our aim is to set up — and this must be our aim — an effective system at normal times which is also effective at a time of crisis, the administration must be given some additional resources, because for each tonne of European food aid distributed, the input of an official's working time is only one fifth of that in the USA or Canada.

Just one more thing: I would like you to know how many of my officials have given up their weekends and their holidays to work on . . .

*(Interruption by Mr Cryer)*

**Pisani**

I am surprised that some Members could resent my paying tribute to my colleagues. It would be the first time it had happened to me.

*(Applause)*

**Mrs Focke (S), Chairman of the Committee on Development and Cooperation.** — *(DE)* Mr Commissioner, following what you have just said I would like to ask whether you can assure us that now and in the next three months the European Community and the Member States will — after overcoming the initial and coordination difficulties, by mobilizing financial resources, transport, food aid, immediate help and medicines, bringing in the non-governmental organizations and overcoming bureaucratic difficulties in a coordinated and flexible manner — do what is humanly possible to master the problem of hunger in Africa?

Secondly: will you see to it that a coordinated, specific programme for the period after the next three months is submitted to the Council in time to enable the Committee on Development and Cooperation to deal with it in December, or January at the latest?

Thirdly: do you agree with me that the most important lesson we must learn from the present terrible disaster is that precautionary measures must be taken so that similar disasters do not occur again, and that this involves self-sufficiency in food and local stockpiles? Will you see to it that, as part of Lomé III, food strategies are agreed — and then implemented — as soon as possible with the countries worst hit?

**Mrs Rabbethge (PPE).** — *(DE)* Mr Pisani, my colleagues and I welcome your intention as regards private investment in the ACP countries. Can you please provide us with details of how you see this being put into practice in the future?

Secondly, you spoke about human rights being included in the preamble. Will this preamble make it clear that what is meant are human rights within the Community and the ACP States and not just outside, e.g. in South Africa?

Thirdly, and I believe this to be the most important thing, does the text include any mention of your especially welcome proposal concerning a dialogue?

**Mr Christopher Jackson (ED).** — Madam President, may I assure the Commissioner that my group totally agrees that it is intolerable that the weight of bureaucracy of 10 Member States in the Council should hold up emergency aid, and will he make specific proposals for immediate action to cut the national red tape which ties the Commission's hands. My second question is that, as the Commissioner is aware that yesterday Parliament passed an amendment providing 5 mil-

lion ECU for co-financing purchases by the aid charities of surplus grain, will he undertake to place before Parliament in the very near future, as a matter of urgency, the necessary regulation? My third question is that, as it really is intolerable that the Ethiopians are using funds on a civil war — the rebels have offered a truce — can the Commissioner use his authority and influence to press the Ethiopian Government to accept the offer of a truce in order that lorries currently used for war purposes can be released to transport grain instead?

**Mr Cinciari Rodano (COM).** — *(IT)* Mr Pisani, at the meeting of the Committee on Development, you said that there was to be a meeting to coordinate the action of the Member States and the Communities.

I would like to know whether this meeting has taken place and, if so, precisely what form the coordination has taken and what has been its outcome.

Secondly, when you speak of the need to create strategically positioned stocks, is this just another good intention, or are plans for a specific site actually being considered.

My third question, Mr Pisani, concerns Lomé. You are always very optimistic about the negotiations: it seems that, nearly a fortnight before the Treaty is due to be signed, the Council is going to propose a new figure. May we know what this figure is and whether you, at least, consider that it will satisfy the ACP's demands?

**Mrs Flesch (L).** — *(FR)* Mr President, I have three questions.

Firstly, on Lomé III: what progress has been made on the volume of financial aid? Does it entail the exclusion of overseas countries and territories from the 7 000 million ECU from the next EDF? Is it correct that France and the United Kingdom have been requested to provide the 120 million ECU needed for their overseas territories?

Secondly, the distribution of emergency aid to Ethiopia has been delayed by blockages at the ports and by unloading priorities and because the Government in Addis-Ababa is deploying a totally inadequate number of lorries to transport this aid. The Commissioner alluded to these difficulties just now. Under these circumstances, it would appear once again that the most effective aid goes through the channels of non-governmental organizations. Could the Commissioner tell us precisely what proportion of the aid goes through the non-governmental organizations and what proportion through the Ethiopian administration?

Thirdly, on famine aid, we should congratulate ourselves on the speed with which the Community has



**Flesch**

released 32 million ECU for emergency aid to Ethiopia and the Sahel countries. However, in view of the enormity of a disaster which has struck not only Ethiopia but the entire continent from the Horn of Africa to Dakar — as the Commissioner just pointed out — I would like to know what measures the Commission intends to take to fight the underlying causes of the famine rather than its effects.

**Mr Vernier (RDE).** — (FR) I have three questions for Mr Pisani.

The first ties in with the question put by previous speakers on the content of the new Lomé Convention which seems likely to be signed on 8 December, in particular the volume of financial aid and the contributions to be made by the individual Member States, since this is a particularly delicate problem.

Secondly, I would like to know — and Mr Pisani touched briefly on this point at the end of his speech — how he can reconcile the European Community's supreme effort to produce less food with the fact that thousands of Africans are at this very moment starving in the Sahel.

My third question — after Mr Pisani forecast with such feeling an acceleration of what he considers to be the inexorable process of desertification in certain countries such as Mauritania within 10 to 20 years — my third question is what major works policies is our Community involved in or could it undertake to halt this process?

**Mr Kuijpers (ARC).** — (NL) Will Mr Pisani please tell us whether it is true that the Red Sea ports, by which I mean Masar, Assab, Djibouti and Port Sudan, have a monthly handling capacity of 100 000 tonnes and not 30 000 tonnes as he claimed at a meeting of our committee. This information came from a prominent Ethiopian civil servant in Brussels.

Secondly, I would like to know whether the Commissioner shares my view that the increased cattle farming in the Ethiopian highlands — now totalling 19 million heads — which is increasing the export of beef from Ethiopia, is reducing the scale of cereal farming, with all the attendant side-effects. According to my information, 12 000 tonnes of canned beef were exported from Ethiopia to Europe in 1984 for the sake of foreign currency gains. Will Mr Pisani please give us further details.

**Mr d'Ormesson (DR).** — (FR) Mr President, I would like to ask Commissioner Pisani the following.

How great will be the discrepancy between agricultural production in the African ACP countries and their population growth at the end of this century? Why did

the Community waste 180 000 tonnes of dairy products on the African market last year?

Has agreement been reached, Mr Commissioner, on including a guarantee of investment by the beneficiary States — rather than by us — in the Lomé agreements and on a contractual policy giving priority for these countries' food purchases to the Community in exchange for our purchase of their goods at fair prices?

Finally, do you intend to link development aid, by which I mean the investments and loans we are granting to these countries, to the liberalization of their economies, or are we going to continue to support Marxism in a number of these countries?

**Mr Ciccimessere (NI).** — (IT) Mr President, I would have liked to express my strong disapproval of Mr Pisani's attempt to cover up the failure of Community cooperation policy. However, I do not believe that 30 minutes is sufficient time to allow me to do so.

I will therefore limit myself to asking him a number of questions:

Mr Pisani made frequent reference in his statement to the unpredictability of events in the Sahel and in Ethiopia. It may be that the general public only learns about the famine in these regions through television, but it seems fairly unlikely that what is happening is news to the Commissioner. These are events which have been foreseeable for a long time and which this House has been predicting for a long time. Or perhaps the Commissioner intends to modify his rash remarks, in the light of the debates which have taken place in this Assembly?

Mr Pisani then went on to give us a list of food aid. I would like to know, Mr President, what happened to the great scheme which Mr Pisani proposed in opposition to resolution 375 in 1981 and which he has just now denounced as a resolution which proposed only food aid, which is not even true, because it also provides emergency structural aid.

It seems to me that the Commissioner has been somewhat reticent about the Lomé agreement, since he has not told us precisely on what basis this agreement will be drawn up. We have to rely on the press, which gives us figures in the region of 7 500 thousand million, but Mr Pisani has not told us whether this total figure does or does not correspond approximately to the amount requested by the ACP countries.

**Mrs Castle (S).** — I am sure we are all grateful to the Commissioner for his very detailed report to us this morning. May I ask him two questions? First, as far as the shortterm is concerned, can he assure us that all the grain which could be physically distributed in

### Castle

Ethiopia is, in fact, being sent from our surpluses and that distribution and release is not being held up by lack of money? Will he tell us what he has done, following Parliament's adoption on 8 October of the resolution tabled in my name and that of many others, asking the Member States to make the supplementary food aid budget for 1984 available at once to the Commission so that it can carry out an effective emergency programme.

Secondly, on the longterm and the problem generally the Commissioner has given us an impressive account of the size of the problem in Africa and what needs to be done. Will he please produce quickly a detailed written report to Parliament setting out in detail what he has told us today and providing costings and a clear indication of what all the countries of the international community have got to do so that we have some concrete facts to work on and on which we can base our political demands?

IN THE CHAIR: MRS CASSANMAGNAGO  
CERRETTI

*Vice-President*

**Mr Croux (PPE).** — (NL) As the Commissioner so rightly said, this problem will stay with us for many years to come. Prevention is therefore a very important issue. We can detect emergencies by the use of satellite photographs and make central plans, but what is becoming increasingly apparent to onlookers is the need to understand the requirements of the local population, because situations differ immensely in the Sahel. This has given rise to an idea which is being put forward more and more frequently by such organizations as *Médecins sans frontières* to do more detailed fieldwork and compile selective data so that aid can be provided more rapidly and more effectively. I would like to ask the Commissioner where he stands on this aspect of preventive research. *Médecins sans frontières* estimate the cost of these projects for a period of two to three years at one and a half million ECU per year for the region of Mauritania, Mali, Nigeria and Chad. I find their proposal very interesting and would like to know the Commissioner's opinion.

**Mr Turner (ED).** — May I first ask the Commissioner whether he would give some guidance to Parliament before our vote in December on the budget with regard to the amendments that we have proposed to the Council budget on food aid, particularly grain?

Secondly, last month he referred to the question of the accession of Portugal to the EEC, which affects the Lomé Agreement, and the threatened shift of Portuguese demand for sugar from the world market to the EEC market. Moreover, he said in a letter to me

of yesterday that even if Portugal buys sugar from the EEC it will take pressure off the cane sugar market. I am afraid I do not agree, and I should very much like his comments because this will only increase the aid quota in the EEC and such an increase will, I feel sure, actually encourage greater production in the EEC of C sugar and therefore I do not think that Portugal taking sugar from the European market will in any way help the world cane sugar market.

**Mr Alavanos (COM).** — (GR) I would like to put three questions. Firstly, has the Community made any representations to the United States or to Japan, because the United States in particular has shown what one might call criminal indifference to the problem of hunger in Africa.

Secondly, does the Commissioner think that the Community could contribute not only by sending grain and dairy products, but also by sending certain Mediterranean products, such as olive oil?

Thirdly, in the light of the — to my mind — very useful facts which the Commissioner mentioned concerning the spread of the famine in Mauritania, and bearing in mind that ecological damage is one of the main causes of famine and the evidence presented by the English churches — which shows, I think, that we cannot attribute the famine to Marx and Engels, as certain Members would wish — I would like to ask the Commissioner what assurances there are that the Community's intervention will not constitute an attempt at political exploitation of the huge problem which these countries are facing — a form of exploitation which, unfortunately, certain Members from the opposite side are demanding in an insistent and, one might say, cynical fashion.

**Mr Antony (DR).** — (FR) I would like to ask Commissioner Pisani four very brief questions.

Firstly, of the six thousand lorries available in Addis Ababa three weeks ago, how many is the Ethiopian Government deploying to distribute food aid?

Secondly, what policy does the Community and Europe's decision-makers intend to adopt to rid us of this guilt complex which has forced us to relinquish the protective supportive role we could have played in Africa?

Thirdly, I would like to know whether we could not give the institutions a nudge, shake off our old pedestrian ways and set up a joint civilian and military crisis team to send the emergency aid needed, using the European airborne troops whom we know we can rely on to set up aerodromes and distribution centres quickly?

Fourthly, I would like to know whether the Sultan of Abu Dhabi, who has just bought two airbuses to ena-

**Antony**

ble him to pursue his hobby of falconry, could give a little aid to Ethiopia. I would also like to know what aid the Libyan regime is giving.

**Mr Griffiths (S).** — Madam President, on 26 October it was announced to the press, and I was told on the telephone by a member of the Development Directorate, that 10 000 tonnes of food aid was on its way to Ethiopia. That same evening, on returning from Strasbourg to South Wales, I watched an Independent Television news report from the Port of Rotterdam which disclosed that 7 300 tonnes of this food aid was blocked there. From inquiries I have made I know that this food aid could have been on its way more than one week ago but the way in which the Dutch Intervention Board dealt with it has meant that the food aid will not leave Antwerp until 28 November. All the good work of cutting through the red tape in Brussels was undermined by the Commission's lack of control of events afterwards.

Will the Commissioner undertake that in future the Commission will institute a new emergency procedure, ensuring that the immediate release and distribution of food aid will be supervised by them until it is distributed in the recipient country?

**Mr Bersani (PPE), Chairman of the Joint ACP-EEC Committee.** — (IT) Mr Pisani, do you think there is any hope, in the final phase of the Lomé Convention negotiations, of removing the cloud which is hanging over Lomé, particularly after the very disappointing way in which the Member States handled the financial issue?

Furthermore, do you intend to make provisions for the areas affected by drought and famine to enable the more flexible measures which I observed recently in Mali to be extended?

Have you given instruction for the adaptation of the normal regulations, so that they are better suited to the situation? The experience of the first few months has, I think, demonstrated the need for this.

Can we not learn a lesson from what has been achieved by Nigeria which, because of its agricultural policy, is producing 30 times as much rice on the same land and in the same conditions as the other Sahel countries? I fact, where country X — which I would rather not name — is producing 30, Nigeria has produced 300. I think it would be worth looking into their methods to find out if it would be possible to collaborate to produce the same sort of results.

It has to be said that in crisis situations, our only experience has, to date, been negative. We have been talking for 10 years now of task forces, agencies, special instruments. It really is time we thought again and broke out of a situation created by the Council of

Ministers' obstinacy in maintaining the regulation on food aid.

My final question is how does the Commissioner think that, in areas affected by guerrilla warfare, as are large parts of these countries — Sudan, Ethiopia, Mauritania, Chad to name but a few — we can distribute our aid fairly, since at a recent meeting with one of the heads of these States I heard that he did not want this aid to be sent by any means, not even through the Red Cross?

**Mr de Courcy Ling (ED).** — Madam President, will the Commissioner please undertake, henceforth, to give a fortnightly report either to the plenary or to the Committee on Development and Cooperation, on the physical progress of the grain stocks going from the European Community to the countries suffering from hunger?

Secondly, will the Commission put proposals to the Agriculture Council to see how they could be more closely involved in new machinery to get this grain out of the intervention stores?

Thirdly, will the Commissioner please bear in mind yet again that this is a matter of quite unusually dramatic public interest and it is a problem in rather an unusual way — it is the better side of human nature we are seeing, I believe, in that the public actually want to participate. They want to see the intervention stores all around Europe, many of them in the centre of rather poor cities, not as shrines to inefficiency but as temples of plenty. They want to see that the grain is coming out. They want to be involved in the distribution of European surpluses to those in the Third World who are starving. And that is why I particularly commend to the Commissioner the new Article 951 of the 1985 budget which received almost unanimous support in Parliament yesterday, which provides for the co-financing with non-governmental organizations of grain to be purchased in the European Community. This, I am sure, is going to cause problems for the Commission in relation to GATT and so on but will the Commission please do all that it can to persuade its trading partners that this is a particular measure of quite an unusual nature and that, in fact, it is much more economic for the taxpayer and much more satisfactory from the point of view of public opinion to involve the non-governmental organizations in this way.

*(The President urged the speaker to conclude)*

Could I just conclude, Madam President, by asking the Commissioner whether he is aware that this new Article 951 was inspired by the fact that on 28 August Oxfam approached the United Kingdom Intervention Board for 10 000 tonnes of grain for Ethiopia and they were actually told that no such grain was available in the United Kingdom?

**Mr Fellermaier (S).** — (DE) Madam President, Commissioner Pisani said that a crisis had occurred and we had got off to a late start. I would ask him to explain what he means by 'we'. Does he mean the 10 national governments, the Council of Ministers, the Commission, the FAO, the non-governmental organizations? Who is this 'we'? You admit here that there was a late start. Why didn't the European Community set up an early warning system in Africa earlier to preclude any further late starts?

Another specific question: you were quite right to begin by speaking about the complex interplay between the Community institutions as regards emergency food aid in cases of disaster. However, according to the Treaties, the Commission is the only institution which can propose draft legislation to the Council of Ministers and Parliament. When did your Commissioner responsible for the Budget put forward specific proposals for ridding this complex interplay of its red tape and helping the starving? When was such a specific proposal put to Parliament and the Council of Ministers by the Commission?

**Mr Kilby (ED).** — Would the Commissioner agree that there is an administrative problem between the central administration in Brussels who control resources and the line operational people on the spot? I pose the question, Mr Commissioner, because last week my colleagues and I had an opportunity to listen to the experiences of those who were out there working at the sharp end in Ethiopia and one of the observations made by one of the line operators was that the major problem that he had experienced in the field was that those out there who had the firsthand knowledge of what was going on and what needed to be done had not the resources available. . .

*(The President urged the speaker to conclude)*

My question is fundamentally: Would the Commissioner agree that there is a need to review the current organizational structure to determine whether or not there is a more effective way of getting resources into the hands of the line people more quickly?

**Mr Stewart (S).** — As the Commissioner said that there is so much red tape to be cut, I would like him to say why he has not already made proposals to this House, in view of the fact of the emergency that is existing, because I find it rather strange that he comes and says that at this time? And when does he expect to be able to make those proposals to this House? And could he possibly say what action has been taken on the request made by the Socialist leaders of the parties in the Community?

**Mr Cryer (S).** — On a point of order, Madam President, I wonder if you could tell me whether you can use your powers under Rule 56(2) whereby the Presi-

dent has the right to alter the agenda to allow this Question Time to go on a few more minutes so that all those people who are very anxious about this matter of Ethiopia and have urgent questions to put can put them to the Commissioner? I realize that this Question Time is being held under another rule which limits the time to 30 minutes but it would seem to me, Madam President, that you have discretion under Rule 56(2) and I am sure we would be very grateful if you could use it since Question Time has been removed by the President who, it appears, has used his discretion on the rulebook and ignored a mandatory requirement.

**President.** — Mr Cryer, at the end of the debate I informed the House that, unless Parliament decided otherwise, such a statement would not be followed by a debate but that Members may, for an additional period of 30 minutes, ask brief and precise questions to obtain explanations on specific points in the statement.

I would add that this evening, during the topical and urgent debate, the subject of aid to Ethiopia will be dealt with once again, and for this reason we shall now proceed normally with the agenda as approved by Parliament, and there is no way whatsoever in which I can change it.

**Mrs Crawley (S).** — Madam President, will Mr Pisani be here this evening to answer questions? You have just said there will be 1½ hours for Question Time this evening. If you mean questions relating to the urgent debate, then Mr Pisani will not be here. It is going to be very difficult for many of us to explain to our constituents that because of a regulation of this Parliament there was only half an hour for questions to the person who is responsible for ensuring that aid is sent from the EEC to the part of Africa that is in need. It is not going to be possible for many of us to justify these petty regulations to the thousands of people who have written to us. They are angry, and I do not believe that their anger has been taken into account. Half an hour is not enough!

**President.** — Mrs Crawley, this debate was down on the agenda, and a good 22 speakers took part in it. So it cannot be said that this debate has not taken place.

As regards the Commission, the reply will obviously be given by the Commissioner responsible, and we cannot oblige a particular Commissioner to attend the debate. However, it remains that Ethiopia will be dealt with again in the debate I have just referred to.

**Mr P. Beazley (ED).** — On a point of order, Madam President, the purpose of this session is to ask questions. Could we therefore just ask questions and keep them short, because the reason for them is to get answers? Insofar as Commissioner Pisani will want to

**P. Beazley**

give us answers, if he is not able to answer all these questions verbally, can he answer them later in writing?

**President.** — The Commission will reply to your request.

**Mr Elliott (S).** — Madam President, we understood from what your colleague said at the beginning that there were 27 questioners. We could have probably answered all those questions in the time that has now been taken on points of order.

My point of order is that almost every question that has been asked has been on the Ethiopian situation. In a way that is understandable, but the Commissioner also addressed us on the question of Lomé. I had a question in relation to that, and there has been no opportunity to put any questions whatsoever on the Lomé Convention.

**President.** — Mr Elliott, if you remain in the Chamber, you will obtain the reply on Lomé, on which, moreover, other Members have spoken.

**Mr Marshall (ED).** — Madam President, I find it quite absurd that when five Members could have spoken for a minute and a half each, we have actually debated points of order. How this House can defend constitutional niceties when we have an important issue like this, I do not know. There was a proposal from Mr Cryer, with whom I do not normally agree. However, I would like to second that proposal and I suggest that we have a vote on it, Madam President.

*(Applause)*

**President.** — Ladies and gentlemen, I cannot allow any further points of order on this subject. I confirm that this evening there will be another chance to discuss Ethiopia. I call Mr Pisani.

*(Protests by Mr Huckfield and Mr Cryer)*

As President, I assume responsibility for conducting the proceedings in this House and trust that the House will wish to cooperate with the Chair.

*(Applause)*

**Mr Pisani, Member of the Commission.** — (FR) Ladies and gentlemen, allow me to speak since the President has given me the floor.

Two debates have just been opened, one concerning Lomé and the other on the situation in Africa's Sahara and Sahel regions. I believe that together these ques-

tions should enable us to deal with all the likely questions. I hope that the answers I shall give will cover all aspects. But if by chance not everything is covered, then I would ask the Members who do not receive an answer to write to me and as a matter of urgency. I will instruct my departments to reply by return to any questions on the urgent issues of drought and famine. I am instituting here and now a special procedure for parliamentary mail on specific problems cropping up from day to day in connection with drought and famine in Africa.

*(Applause)*

As regards Lomé, three problems have in fact been broached. First of all, the sum involved. If someone were to say to me now that the figure is 7 400 million, excluding the French Overseas Territories and Departments, I would not contradict him. But no-one can get me to quote a figure which has not yet been specifically proposed to the ACP side. Just because the press has published this figure, why should I contradict it?

As regards human rights, two things were involved: the inclusion of the principle of basic human rights in the preamble to the Convention, and an analysis of the concept of dignity, including when it is threatened by the apartheid system. You can imagine the nature of the debate which followed. The wording now on the table, which is accepted *ad referendum*, satisfies both points. The preamble refers to the basic human rights as defined in the UN Charter, and a joint declaration appended to Article 4 of the Convention states that apartheid is an attack on human dignity.

Thirdly, as regards dialogue and effective action, we adopted a specific approach to the problem and there were some very serious discussions because our ACP partners thought their sovereignty was under attack. We, on the other hand, tried to show them that this was an attempt to arrive at an equal contract between two parties with mutual commitments, and finally, there was the issue of dialogue which we envisaged as being with our partners on such issues as planning, day-to-day management and use of the Stabex funds. An accord thus came about which, in substance, is totally satisfactory in our eyes.

I was asked a fourth question about Lomé, concerning private investment. We have broken new ground in including private investment in this Convention. We have made progress on defining a number of points. As regards other points, we agreed with our ACP partners to look at procedures which would reinforce the system. And we aim to set up not only a system of safeguard clauses, not just a legal guarantee system in the ACP countries, but also a system of joint ACP-Community undertakings which would, for the first time, link the ACP States to guarantees given for private European investment on their territory, and this is a considerable step forward.

**Pisani**

I would now like to reply to the questions about famine and drought by stating first of all that we are all responsible when it comes to bureaucracy. By all the time wanting to have working methods defined in ever greater detail, constantly wishing to multiply the number of checks and balances, letting the mutual mistrust between the Member States grow, increasing the distrust between the institutions, all this creates opportunities for new procedures, groups, committees, boards, new administrative bodies etc.

What we suffer from most — and perhaps this crisis will help us to overcome its effects — is mutual mistrust. It surfaced prior to the 13 November coordination meeting when we asked the Member States to fill in a questionnaire simply telling us what they had done or intended to do. Only two States replied on time; but I must say that after having this very restrictive attitude, all the States took part in the 13 November meeting, and in a very positive manner, giving all the information we needed. They responded to our appeals when specific requirements were beyond our reach — whether lorries or medicines. We approached this or that State to say 'we need this and that, are you ready to help?' They have asked for this coordination meeting, which took place yesterday or the day before, to be resumed in December to take stock of what has been achieved. They have asked for these coordination meetings to deal not only with the Sahel, but with any part of the world where an emergency situation demands such a procedure.

So it was in a new frame of mind, in an atmosphere we hardly expected, that the idea of a special crisis team was born, and it is the Commission's intention — drawing on the experience of this coordination meeting — to move on from the stage of meetings which are convened once and then no longer have any effect, and to help devise a method which — as soon as an emergency is noted — would trigger new procedures and ease certain other current procedures which are paralysing the efforts of both the Community and the Member States.

On behalf of the Commission I pledged to come up with a specific proposal following the 13 November meeting. I needed to see how the Member States reacted, what kind of objections they would raise to coordination, in order to draw up a workable proposal. During the next few days I therefore intend to draft a text on this which should be along the lines all Members wish to see, i.e. coordination with a view to effective action.

I would now like to touch upon a number of more specific questions addressed to me. As regards the coming three months, I believe we can guarantee that the situation will be relatively acceptable. Don't ask me to say it will be good: it will not be good, but it will not be as dramatic, as harrowing, as it was in the past weeks. Taking advantage of this breathing space, we intend to maintain our efforts and get going again

straightaway, to convene a meeting in December and put forward financial proposals so that from January, if there is a need — and there will be a need — we could mobilize additional resources. I do not yet know how or where, but we will make these proposals whatever difficulties we encounter in the process. While we are somewhat less worried about the coming three months, we are greatly concerned about the following months and we aim to face up to this problem.

The figures given regarding the port of Assab and the lorries have changed over the past few weeks. I told the Committee on Development that the port of Assab could handle only 30 000 tonnes. In my report I did not mention railway transport possibilities because there were no locomotives. I spoke of about 500 lorries, but in actual fact over the weeks — by dint of negotiations with the Ethiopian government, with the Assab port authorities, and by looking for capacity elsewhere, at other ports — we have managed to come up with new resources which we did not have a few weeks ago. This is why our anxiety of a few weeks ago has given way to relative, very relative satisfaction.

Thus, as regards lorries, whereas I spoke earlier of 500 there are now between 1 000 and 1 500, which is an adequate number. What is more, the Federal Republic of Germany and Italy have promised something like another 500 lorries in the coming weeks, which will help expand the fleet of lorries capable of distributing aid across Africa.

From the questions I was asked, I should like to pick out that posed by Mr Fellermaier, who asked who was responsible. Mr Fellermaier, I have a long political and administrative career behind me, and I have always thought that asking who was responsible was a way of avoiding finding a solution to a problem. What good would it do us to blame someone? Would it not be better to know what to do tomorrow, because if I had to blame someone, I would blame everybody, Mr Fellermaier. I would blame myself. I would not hesitate to blame myself for perhaps not having pleaded sufficiently the case of the climatic disaster in Africa. But Members have forgotten that at least two or three times I came before this House to say that in terms of climate Africa was heading towards disaster? Have you forgotten that I was among the first to say that the fight against desertification must form part of our policy? Have you forgotten that I worked to have this mentioned in the Lomé Convention? I am responsible because we did not succeed, but I am not the only one responsible: Parliament is responsible in its own way, the Council is responsible in its way, and the administration as well, because it committed errors. Let us try to see, on the contrary, how the Community makes everything impossible — because it has become self-paralyzing, a victim of self-induced paralysis, because it is incapable of advancing, due to the Member States' mutual mistrust, and by increasing the number of procedures makes everything impossible, and because Parliament — by insisting on the foodstuffs regulation

**Pisani**

and taking the Commission to task over the food aid regulation — has changed the nature of the debate to a certain extent, because the Council always takes a long time to make decisions and so on. All this is true, but what does it matter who is to blame? The people really responsible are those who know what the debate is really about and yet do not apply the necessary remedy.

This is what I have tried to do. I have not tried to vindicate us. I have not tried to justify myself. I have said that we committed some errors, that things are not good enough. I personally blame myself, and publicly. But I also said that what we needed in the future was a system of coordination, a special crisis team and a new definition of the relationship between food aid and the common agricultural policy. I said that the Commission would make some proposals. Could they be made much earlier? I do not think so. Not because what happened was unanticipated, but it was not anticipated to the full extent.

Those are the replies I wished, Mr President, to give on this matter. And there is one more, and it happens to be addressed to a Member seated on the same benches, Mrs Barbara Castle. Yes, Mrs Castle, we must draw up and make available to those interested a report on the situation in Africa today and tomorrow, on what it will cost in terms of support and investment. Faced by the huge sums which will emerge from the analyses, we must say whether we, the international community and first and foremost the European Community, are able to assume our responsibility and to what extent, or whether we refuse to do so. The main advantage of this document, Mrs Castle, will be not only to make us aware of a difficult and even tragic situation, but also to oblige everyone to assume his or her responsibility, however large it might be.

Madam President, forgive me. I have not answered all the questions. I do not think anyone could have expected me to do so. I have made a note of them. I reiterate that, as regards some of the questions, letters will be sent to the Members who asked them. I repeat as well that from Monday onwards any letter on the crisis situation, the famine in Africa, will be replied to by the Commission within a few days. Your anxiety, which you express because you also hear it from your voters, your fellow citizens, will thus receive a response. Let us remember that we have a breathing space, and that we would be seriously to blame if we did not take advantage of it to meet the needs of 1985 and to structure our system for the years ahead.

*(Applause)*

### 3. Budget discipline

**President.** — The next item is the report (Doc. 2-981/84) drawn up by Mr Dankert on behalf of the

Committee on Budgets on matters connected with the establishment of the Community budget (budget discipline).

**Mr Dankert (S), rapporteur.** — Madam President, we are having this debate on budgetary discipline in a situation which is an extremely difficult one for Parliament.

*(Mr Dankert was interrupted by a heated argument between Mr von der Vring, Mr Newens and Mr Cryer)*

When I say that this debate is being held in extremely difficult circumstances, I am not referring to what is happening behind my back but to the financial situation of the Community as such. Parliament can only talk in a sensible way about its rights when the budgetary situation of the Community is such that the rule laid down in the Treaty can be respected. And I have my doubts about the financial situation over the next few years enabling us to do so. I am thinking now of the debate we have had in the past two days about the 1985 budget.

Furthermore, we can only talk in reasonable terms to the Council if the Council respects its obligations in the sense that the Council cannot unilaterally split up the budgetary authority into two parts.

Madam President, after the Ecofin meeting, which in my view should have prepared the ground for a fruitful meeting next week with the Council of Ministers and come up with what, in the usual jargon, we call common guidelines, I am astonished to hear some Ministers say that we should not remain under the illusion that we are talking in terms of guidelines. We are talking in terms of decisions. Mr Genscher said so, or thought so, when he announced immediately that on the basis of the decisions made this week he could ask the Bundestag to pay its part of the 1984 budget. I did not hear Sir Geoffrey Howe say it, but I think he has other reasons not to ask yet for the unblocking of the 1984 contribution. Mr Ruding, the Netherlands Finance Minister, who is not known for his subtlety, simply stated that the agreement reached was sufficient for him to deal with Cabinet colleagues who do not like to see the consequences of European lack of budgetary discipline being compensated for by their sacrifices in the fields of education or welfare. Mr Rocard made another statement which was clear enough.

Madam President, I have to assure you — and it is a difficult working basis — that the common guidelines of the day before yesterday are in fact the Council's conclusions with which we will be confronted on Wednesday. But what do these conclusions or decisions say? The text we received from the Council said that the Ministers want to create a solid base for the continuation of the development of the Community during this decade. That means for four years, I

**Dankert**

believe, because it was not intended to begin the process before 1 January 1986.

If you read the text, the Council cannot even make decisions for four years. I think Mr Rocard was right, the text reflects an *imbécilité collective*, though even this expression strikes me as rather mild when one looks at the text. On agricultural expenditure Paragraph 4(d) of the Council's text reads as follows:

the method of calculation shall be re-examined in accordance with the Fontainebleau conclusions under the heading 'budgetary imbalances' on the basis of the report to be presented by the Commission, one year before the 1.4% VAT ceiling is reached.

Madam President, since the Council is pushing an increasing amount of 1984 agricultural expenditure into 1985 — the postponed superlevy entry is one of the consequences — and since there is still no agreement on the increase in expenditure in certain areas — I am thinking in this connection of the Agricultural Ministers' discussion on wine this week — we are confronted with the situation that the 1985 budget will be a near impossible one — in real terms, not in the terms put before us. That means, in my view, that the 1.4% will be exhausted as soon as it is introduced. That means that the Council is not talking about a decade. It is talking, to put it plainly, about one year of budgetary discipline, and then we negotiate again. I think that is the hard core of the Council's decision.

Madam President, I should like to make a few further remarks. The basis for calculation of agricultural expenditure is laid down in Article 4 as follows:

the actual outturn expenditure for 1984 is the best estimate of the outturn for 1985.

This makes me conclude not only that there are no limits set to agriculture expenditure for the period covered by the agreement, i.e. 1986, but also that, because of the limitation of own resources to 1.4%, the real limitation will not be on agriculture but on non-compulsory expenditure; in other words, the expenditure that falls within the competence of this European Parliament.

To put it in different words, the budgetary discipline operation, which was meant to control agricultural expenditure, will, because of the basis of calculation, make agricultural expenditure go close to the ceiling of 1.4%. As a result, there is a serious risk that non-agricultural expenditure will decrease in real terms.

If we take this element of the Council's text in conjunction with the last sentence of Article 5 relating to the abnormal evolution of agricultural expenditure, which says:

the Council shall concentrate its activity primarily on the production sectors responsible for the failure to adhere to the guideline.

Then we have a clear warning that the Council is looking sharply, or at least some members of the Council are looking sharply, at tomatoes and olive oil. That can only be explained as the rich countries of the Community not wanting any longer to demonstrate solidarity with the poorer ones. This will become evident in the non-compulsory sector and in some agricultural production sectors, which are indeed getting out of hand in some areas.

What can we do? I have no definite answer, for the very simple reason that I am confronted with a decision by the Council. As I said, the Council intends to create two budgetary authorities but forgot to state how and where they can meet. I think that is something we should try to define in precise terms between now and Wednesday.

In Article 1 of the conclusions of the Council, we read 'the Council shall fix a reference framework'; and it will do so on the basis of the 'available revenue'. 'The Council shall fix' ...!

Madam President, that is turning around the procedure now laid down in Article 203. From the point of view of respect for the provisions of Article 203(9), the Council's text may be an improvement. Nevertheless, if the Council can seriously speak of fixing a 'reference framework', then this can only mean that Parliament will have lost much of the political possibilities which it has at the moment under the procedure laid down in Article 203. Council does not only say that it fixes the 'reference framework'; it says that 'it shall ensure that the reference framework is respected' and it laid down provisions in order to ensure that that would happen, notably by having the qualified majority for laying down the 'reference framework'. This, in fact, enables a few Member States virtually to control agricultural expenditure.

That is the situation we have to talk about next Wednesday. I feel that it is a situation that violates Parliament's rights and, more importantly, threatens to suffocate the development of the Community. The only consolation is that it will probably only work for one year.

The draft resolution agreed by an overwhelming majority in the Committee on Budgets tries to give some answers concerning the approach we should take *vis-à-vis* the Council. That resolution is based on our profound conviction that unilateral decisions by the Council in this field not only threaten to break up the only joint authority we have in the Community — the budget authority — but will also have a very adverse effect on the position of the European Commission. We in Parliament are in favour of budgetary discipline. We cannot be in favour of a text that does not bring discipline but on the contrary adds fuel to the already too numerous fires raging in the Community, and all that for no other purpose than to enable Ministers for Finance to say at home they are holding out



**Dankert**

for at least as much budgetary discipline in Europe as they already practise at home.

**Mr Tugendhat, Vice-President of the Commission.** — Madam President, the draft resolution before the House today results from an initiative of Parliament's Committee on Budgets. This initiative was taken at a very timely moment when the internal deliberations of the Council on the subject of budgetary discipline were known to be leading towards the achievement of an initial common position. It is not, however, a resolution which corresponds to a legislative proposal from the Commission. Without such a proposal there can, of course, be no question of the establishment of any new Community legal instrument in this field. I think that is a point which ought to reassure some Members and which certainly the House will wish to take into account.

Throughout the discussions which have taken place in the Community on the subject of budgetary discipline, the Commission has had one underlying aim. That has been to bring about improvements in the Community's budgetary planning and procedures and thus a better control over the evolution of Community expenditure in ways that are consistent with the Treaty of Rome and, in particular, with Article 203 of that Treaty. We have, therefore, proposed rules of conduct geared to the specific rights and responsibilities under the Treaty of both branches of the budget authority. I would like to emphasize the fact that as far as the Commission is concerned, there is one budget authority with two branches.

We have sought to ensure that these rights and responsibilities are properly recognized. The Commission's suggestions were contained in our communications of 28 November 1983 and 6 March 1984. What we envisaged, briefly, was a more focused discussion, before the beginning of the budget procedure proper, of the main budgetary parameters for the budgetary exercise ahead, leading, we hoped, to a meeting of minds between the two halves of the budget authority in terms of an overall context.

More specifically, as regards agricultural expenditure, which currently represents roughly two-thirds of the Community's budget, we propose that the Council should apply a qualitative guideline designed to ensure that expenditure on agricultural markets, duly defined, did not increase at a rate beyond the growth of the Community's own resources.

We recommended the idea of a prior discussion involving both Parliament and Council on the main budget parameters because it seemed to us that such a discussion would enable annual budgetary decisions to be taken against a background of a longer-term and more clearly defined policy framework. We envisaged also that where policy decisions were encompassed within a multiannual framework, Parliament should be

fully and equally involved in any decision regarding the overall size of the programme. We proposed a specific disposition for agriculture because we believed that without a commitment to a financial guideline, the annual decisions on prices and related measures would not be taken on a sufficiently responsible basis. Since it is the Council which takes these decisions and since the overwhelming part of the expenditure is classified as obligatory, it is to the Council that our recommendation for an agricultural guideline was directed. There was nothing in our proposal which impinged on Parliament's rights as regards either the opinions it gives on the prices decisions or the modifications which it may propose to the agricultural chapters of the budget.

The proposal which has been put forward for an agricultural guideline was designed to be sufficiently precise to be effective in influencing the decisions which Agricultural Ministers take, but at the same time sufficiently flexible to accommodate the conjunctural uncertainties inherent in the agricultural field. As the House will be aware, the Council has been engaged since the meeting of the Heads of Government at Fontainebleau, in elaborating its own decisions concerning budgetary discipline. In some respects, for example the guideline on agricultural expenditure, these dispositions reflect closely the suggestions which the Commission has put forward. In other respects they do not. The Commission, which has been present at all levels of discussion in the Council, has been at pains to try to ensure that the Council, in departing from the Commission's suggestions, did not contemplate arrangements which would have been incompatible with the Treaty.

In particular, we have sought to ensure that the institutional balance in the budgetary field should not be affected and that Parliament's rights and privileges are respected. We have urged upon the Council the view, expressed also in the draft resolution now before Parliament, that decisions of budgetary discipline need to be taken by both branches of the budgetary authority and that without such joint decisions, any attempt to apply budgetary discipline will become a divisive and unfruitful exercise. I believe that the arguments which the Commission has put forward have had some effect, particularly in recent weeks, in moderating the Council's thinking, but it is, of course, for the Council to explain to you what its current position on the subject of budgetary discipline actually is. It is certainly not for me to do so.

The Commission, for its part, has formally recalled in the Council that any common orientation agreed there is not a legal Community act and that the Commission is not a party to it. Against this background, Members will understand that there is much in the draft resolution now before the House with which the Commission can heartily agree. Indeed, much of it corresponds to the Commission's own suggestions and preoccupations, particularly as regards the rights of

**Tugendhat**

Parliament under the Treaty. There are, however, two further points.

First, I think it is a pity that nowhere in Parliament's resolution is there any recognition of the need for a financial guideline applicable to the growth of agricultural expenditure. Given the constant calls by the Committee on Budgets in the past for the share of such expenditure in the budget to be reduced and the criticism of the Commission for failing to control its growth, the complete silence on this subject in the resolution is surprising. I must say that the Commission would have hoped for some support from Parliament on this point.

Secondly, the Commission is obliged, as guardian of the Treaties, to defend the application of the existing dispositions of the Treaty of Rome including, for example, the distinction between obligatory and non-obligatory expenditure. Whatever our views may be about the desirability in the long term of amending the Treaty in the sense to which the resolution alludes, our current duty must be to monitor the application of it in its present form. There is nothing inconsistent about that: one can wish to alter something, but one also has to administer the law as it is.

With regard to the maximum rate, the Commission has consistently defended *vis-à-vis* the Council the need to respect the dispositions of Article 203, paragraph 9, to which reference is made in paragraph 6 of the resolution.

There is much else that I could say on what is an extremely important subject, but there are many other speakers, time is short and we have a vote at 3 p.m., so I shall end at that point.

IN THE CHAIR: MR PLASKOVITIS

*Vice-President*

**Mr Varfis (S).** — (GR) Mr President, in our country we have a saying 'if you have a tooth-ache, cut off your head'. However, I have rarely encountered a situation to which this prescription is more suited than budgetary discipline. Of the many problems facing the Community, some are less serious and some are more so. In certain cases spending is channelled in the right direction but the results are less fruitful than they should be because of bad management and bad control. In a number of agricultural sectors the weaknesses are to be found in the expenditure itself, that is to say in the financing and encouragement of over-production. The problem here is more serious and the situation cannot be rectified from one day to the next without harming the farmers and causing them to revolt. The farmers are not responsible for the mis-

takes made by others and they are struggling — as is their right — to improve their incomes. Finally, there is a wider problem regarding the type of Community we desire. For one or another reason one may or may not favour the development of new or existing policies or cooperation with the Third World. Each category of problems has its own characteristics and dimensions and must be examined, judged, and dealt with accordingly.

What seems to me incomprehensible, if not absurd, is to declare on the one hand that one wishes Europe to develop and on the other to claim that this development will be realized mainly by implementing certain principles and automatic limits in budgetary policy. For this is what emerges from the Council text on budgetary discipline. What are these principles and automatic limits? The first principle states: we will not spend more than we have at our disposal. However, the question is not whether you will spend more, but how much you intend to have at your disposal, a decision which the Community has every opportunity to take. And it has decided that it does not wish to provide more money for Europe. 1% of the Member States' gross domestic product is sufficient.

The second principle states that the Community will apply the same strict stringency rules which are applied in the national budgets. However, the main issue is not whether the same rules will be applied in the Community budget as in the national ones, but whether there exists the will and the interest to do jointly, in certain sectors, the things everyone is doing separately, in which case national budgetary expenditure will be transferred to the Community budget. Moreover, in each national budget there are sectors such as health, education and research, to which, in the context of political and economic choices, increased sums are allocated annually at the expense of other sectors. Anyone who considers that — as in this case — there is no need to increase expenditure on Europe, which amounts to 2.5% of the total of the national budgets, is making a political choice, if not to say opting for a policy of stringency.

Finally, the third principle is that all expenditure on agricultural, social, regional and industrial policy will be determined using automatic accounting criteria and will be sacrificed in the name of budgetary discipline. We saw this in the 1985 budget, which is a kind of general test of this principle. The entire text on budgetary discipline is dominated by an automatism which leads to absurdity, in that it calls to mind the mechanism for creating comic situations. The ceiling for expenditure in the agricultural sector is set by dividing forecast expenditure for the coming year by average expenditure for the two preceding years and by multiplying the quotient by the average expenditure for the current and past years. Mr President, this calculation and these budgetary and accounting elements have absolute priority *vis à vis* any wider aspirations or developmental goals. This is the guiding policy of the

## Varfis

Community and it is this policy we will speak about today, bearing in mind our responsibilities.

**Mr Christodoulou (PPE).** — (GR) Mr President, very many misunderstandings have grown up around the issue we are discussing at this moment. As Mr Dankert, the chairman of the working party of the Committee on Budgets very rightly said, we too are in favour of budgetary discipline. However, the question is: what kind of budgetary discipline?

The working party's report places the issue in the right context, i.e. it sets out the conditions for a concept of budgetary discipline which will not be presented either as the solution to all the Community's economic problems at the expense of strangling its development, or as the only way of preventing the European Economic Community from being destroyed by the irresponsibility of its institutions. Certainly, the motion for a resolution is not exhaustive. It simply outlines a policy which deserves Parliament's support. However, it needs to be developed, it needs additional material which will make its recommendations workable and I am sure that following speakers will have many proposals to make in this regard. Thus it will be necessary to develop a system, call it budgetary discipline — a term which has begun to provoke shudders amongst many of our colleagues — call it what you will, for avoiding a repetition of such phenomena as the submission of dubious supplementary budgets of the 1984 type or the ten-months budget we had for 1985.

Mr Dankert presented the issue very correctly and stressed the need to eschew stratagems which neutralize both the European Parliament's powers and make the two-speed Europe a *de facto* reality. Besides, I was very pleased to hear what Commissioner Tugendhat had to say about the Commission's position on this issue. The Community must set the example for correct administration and not provoke public opinion and become the butt of ironic comments by the way it drafts its budgets; nor should it invoke the example of the budgetary policies of national governments because these policies have a restricted duration and are conditioned by prevailing conditions in the economies of the individual countries. When conditions change policy must change as well. However, here we proceed to make an arrangement which, despite the fact that it will apply over a very long period, is subordinated to certain automatic mechanisms so that on many occasions it is likely to have no relation at all to the context in which it is situated.

Accordingly, the problems cannot be compared. The Community's goals are far broader and must be defined by the visions of the great men who created it and by those of its present supporters. Its goals must be inspired by a way of thinking which is the complete opposite of the short-sighted, bureaucratic book-keeping mentality which we are asked to endorse today.

Mr President, the Community possesses a creative element and this should be reflected in the management of its finances. By helping the Council and the other advocates of this barren concept of budgetary discipline to realize their error, we are carrying out our mission as elected representatives of the peoples of Europe.

We will have to close this chapter. We cannot discuss it *ad infinitum*. The correct and creative — I repeat creative — management of the Community's finances is too serious an issue to become the subject of endless verbal exercises. As long as the issue remains pending, it will be impossible to ensure either proper planning or proper work in the day-to-day management of the Community's finances.

Thus, we must come to an immediate decision, while strictly observing the procedures which are described in the resolution under discussion, a decision which, with the implementation of the new policies, the regional programmes, etc., should lead Europe to make balanced and rapid progress towards the high level dictated by its historical role. Nobody has the right, acting ostensibly in the name of unified budgetary discipline, to downgrade Europe, our Europe, to a second-class region, one which does not lead but follows, and which does not develop, but declines.

**Lord Douro (ED).** — Mr President, I should like to compliment Mr Dankert on the speedy preparation of this report. Mr Dankert is the ideal person to have drafted it. His many years of experience in budgetary matters means that he will argue Parliament's case on these matters as convincingly as anyone.

We are facing a potentially very difficult situation because, apparently, the Council set out unilaterally to change certain of the rules and my group entirely supports Parliament's budgetary powers and we wish to see Parliament's budgetary powers preserved and enhanced in suitable ways. We did support, in the resolution tabled by Mr Langes in May, a call for the removal of the artificial distinction between compulsory and non-compulsory expenditure and we still believe that that should happen. But apparently there is no move at the moment to remove this distinction. The real point that, I believe, is slowly becoming more obvious to many people involved in Community budgetary matters is that the European Parliament which does have considerable budgetary powers can only be expected to exercise those budgetary powers in a responsible way if it is a full party to the decision-making process.

What is now being proposed is that right at the beginning of the budgetary process the Council should unilaterally establish the reference framework which will have the effect of determining the size of the budget. It must be right that Parliament be party to the establishment of that important figure at the beginning of the process.

**Douro**

So I am very pleased that Mr Cot and the Committee on Budgets decided to make this initiative at this moment to insist on a proper conciliation, a proper dialogue, with the Council, to try and agree a satisfactory formula. I am glad that we have the support of the Commission. I think this is a matter of fundamental importance to the long-term development of the Community. But, of course, in the end it will only work if the whole conciliation procedure is improved. I have participated in one or two conciliation meetings. Mr Dankert has participated in many meetings. But my limited experience shows me that these conciliation meetings really are not very satisfactory at the moment. If we are to have proper participation in the establishment of the reference framework and all other legislative acts in the Community, we have to find a way of improving the conciliation procedure.

So not only do I hope that next week when we have a conciliation procedure, it will be more satisfactory than others have been in the past, but also that there will be moves in this context or another context to improve generally the conciliation procedure. If we were able to do that, then certainly we might see a greater influence of Parliament in this important matter.

In conclusion, Mr President, my group supports Mr Dankert's report. We hope that all groups in the House will support it, and we hope that next week when there is a conciliation meeting, the Council will really listen to the points of Parliament and will recognize that if they wish to see responsibility in budgetary matters on the part of Parliament, they must involve Parliament at all stages in the procedure.

*(Applause)*

IN THE CHAIR: MRS CASSANMAGNAGO  
CERRETTI

*Vice-President*

**Mrs Barbarella (COM).** — *(IT)* Mr President, we consider the decisions taken by the Council on so-called 'budget discipline' during the course of this week to be disgraceful. We reject the notion that this decision will result in internal rules of conduct at the Council of Ministers.

In fact we know quite well that the document under discussion not only has internal effects, but also has serious repercussions on the room for manoeuvre which the Treaty has made the joint responsibility of the Council of Ministers and the European Parliament in matters concerning the budget.

Although I agree with what Mr Dankert has said, I believe that, even if such a decision is full of inapplica-

ble elements, this inapplicability is of minor importance — the fact remains that these elements have been decided upon. That is the fundamental issue.

I would also like to stress that we must reject equally strongly the assumption that this decision on budget discipline will help solve other problems; that it will sweep from the negotiating table this whole series of constraints, conditions and — let's call a spade a spade — blackmail, which the Member States have been imposing upon one another, and that it will somehow contribute towards giving the Community a new impetus.

In reality, the Council's decisions not only undermine institutional equilibrium — in itself very serious — but result in an invalidation of current Community policies as well as those which might be introduced in the future to respond to the needs confronting the whole of Europe today.

I think this is the obvious result of the various ceilings on expenditure, agricultural and otherwise, included in this decision on budget discipline, and of all the other surveillance and intervention mechanisms designed to ensure adherence to these ceilings.

I believe, what is more, that this decision on budget discipline should be examined in the light of other guidelines adopted by the Council: to begin with, the financial restrictions imposed upon us during 1984 and those they are still trying to inflict upon us by means of the draft budget for 1985, not to mention the very slight increase in own resources to become effective only from 1986, which will not make good everything lost in 1984 and 1985, nor will it permit the development of new policies.

In short, I believe that budget discipline — as understood by the Council — should be assessed in the very worrying context of a total invalidation of the present Community structure caused by our governments. I therefore believe that Parliament cannot accept these guidelines for development and must therefore, next Wednesday, embark upon a bitter and dogged confrontation with the Council, not only with a view to maintaining institutional rights — which I repeat are obvious — but because it is duty bound to try to guarantee the very future of the Community.

Because of this we are fully in agreement with the report which Mr Dankert has presented to us and which we consider to be an excellent basis for negotiations with the Council. We would just like to add that it must be quite clear that Parliament must go all the way on this matter of principle and content and must declare from the outset its willingness to use all the means at its disposal: from legal means, which could mean the Court of Justice as well as rejection of the 1985 budget, to political means to be used appro-

**Barbarella**

priately in order to achieve its aim of Community development.

*(Applause)*

**Mr De Vries (L).** — *(NL)* Mr President, we are discussing today what my party considers will in all probability be the most important subject on Parliament's agenda for the next five years. The system that the Council is proposing will mean that Parliament's hands will be tied for the next five years. It is an encroachment on our rights, not only in the budgetary sphere, as the Council document might at first lead us to suppose, but also our legislative authority.

Neither the procedure the Council has adopted nor the content of the document is acceptable to my group. The Council took its decisions on budget discipline completely unilaterally. Parliament was totally disregarded. We have repeatedly requested to be consulted on budget discipline. The Council has not deigned to do so.

The content of the proposals, or perhaps I should say decisions, is also unacceptable, because not only the document itself but also the procedures laid down in it are completely unilateral. The Council has not given this House the smallest role to play. The words 'European Parliament' are not even mentioned, apart from somewhere in an annex in an article on compulsory expenditure over which, as you are aware, Parliament has minimal control.

The aim of budget discipline, or so we were told, is to curb agricultural spending. In our view, the effect of this action will be to limit non-compulsory expenditure and to prevent this House from exercising its legislative responsibilities. The Council claims to want to limit excessive increases in agricultural expenditure. That is very probably illusory, in view of the huge loopholes in a number of articles in the Council document. Take for example Article 2, in which the Council says that it intends to take into account — and I quote — 'exceptional circumstances'. I quote Article 5, the 'claw back mechanism' which will not apply in the case of — and I quote again — 'abnormal development'. Then there is Article 8, which discusses legislation with very important financial consequences. What that means is anybody's guess. Hardly surprising, then, that the Council's efforts to limit agricultural spending cannot be taken very seriously.

However, if we turn to non-compulsory spending, the picture is quite different. Take the proposed Article 7. If the framework of reference is in danger of being excused because of some Community legislation, the Council will amend the decision, guideline or regulation acting on a proposal from one Member State or the Commission. What does this mean? It means that in the first place a single Member State can cripple the Community's legislative activity. Only for one month

it is true, but let us not underestimate the scope for obstruction that this gives the Member States. This passage means one further complication to the already exceptionally difficult decision-forming procedures in the Community.

Secondly, Article 7 is an encroachment on Parliament's legislative powers, because if the Council decides to amend a legislative document on the basis of the anticipated financial consequences, there is no provision or fresh consultation of Parliament. This means that we in this House can give our opinion on the Commission's draft guidelines or regulations, but that after that we will have no influence whatsoever on what happens in practice because that will be determined unilaterally by the Council.

Finally, Article 9. The proposed Article 9 cannot but be in contravention to the Treaty, if not in the letter at least in the spirit. Because paragraph 9 of Article 203 of the EEC Treaty is effectively made inoperative. The Council has resolved to respect the maximum percentage increase for non-compulsory Community expenditure throughout the entire budget procedure. This means that when it draws up the draft budget it will limit the increase in non-compulsory expenditure of half that maximum percentage increase. However, while the Council is unlikely to wholly abandon its right to raise the maximum percentage increase in conjunction with Parliament, it has nonetheless agreed to make no use of this right, so making the Treaty provision inoperative.

Mr President, my group was extremely disappointed to learn of the Council's decision. And if, next week, in consultation with this Assembly the Council is not prepared to make far-reaching amendments to this document, my group will find it very difficult to vote for the 1985 draft budget; Mrs Barbarella also mentioned this. This issue is completely undermining the Parliament's limited authority. I strongly appeal to the Council on behalf of my group to demonstrate its willingness next week in consultation with Parliament to achieve what this House has wanted for years, to work together with the Council in a responsible manner to safeguard the future of this Community.

**Mr Musso (RDE).** — *(FR)* Mr President, ladies and gentlemen, all of a sudden, we find that a new system has been set up by the Council completely arbitrarily under the name of budget discipline. What's it all about?

Quite simply, it means fixing financial guidelines to curb, or even reduce, expenditure, and agricultural expenditure in particular, to a figure less than that of own resources — and all this before any budgetary procedure has been embarked upon. But what was needed was financial stringency, not budget discipline. Moreover, the regrettable decision made by the Council under the French presidency in March 1984 is a

**Musso**

legacy which bodes ill, and the Community will find it more and more difficult to bear the consequences.

This budget discipline deprives Parliament of its budgetary powers. My group cannot allow this and begs Parliament not to allow itself to be pushed around. This budget discipline seriously undermines the CAP since, in setting limits on agricultural expenditure, it is nationalizing the CAP, which is as good as destroying it. Instead of changing the way the CAP works, which would no doubt be desirable, an attempt has been made, in effect, to dismantle it. Beyond the grandiose statements of principle it is therefore clear that the Council is trying to weaken or even kill off the Community where there is most life in it, where it is most Community-minded: its common policies.

Indeed, the Treaty of Rome, in its principles, states as early as Article 3 the principle of the adoption of a common policy in the sphere of agriculture. And in its foundations, it includes agriculture and specifies that it is part of the common market and that a common agricultural policy should therefore be set up, the objectives of which are very precisely defined: to increase agricultural productivity, ensure a fair standard of living for the agricultural community, stabilize markets, assure the availability of supplies and ensure reasonable prices for consumers. But the very concept of budget discipline and its application run contrary to these objectives and destroy the common agricultural policy. The opposite will happen — productivity will decrease, the standard of living of the agricultural community will deteriorate, markets will be destabilized, the availability of supplies will no longer be assured, and reasonable prices for consumers will not be maintained. This is an intolerable stab in the back for European farmers and, let there be no mistake, especially for small farmers in the poorest regions.

The Council and the agricultural ministers will, each in their own country, I am convinced, bear the full responsibility.

Talking of productivity, is it not ironic, after what we have heard this morning, that while millions of human beings are dying of starvation, our Community is going to decrease its productivity? Mr President, this is a stab in the back for Europe, a blow to the existence of the Community, to the Community structure. It is a deliberate attempt on the part of the Council to destroy what others before us have taken so much trouble to build up. It is our duty, on behalf of our countrymen who have elected us, to say no to the Council and not to let common policies be dismantled in this way, for without them the Community, would no longer exist.

*(Applause)*

**Mr Bonde (ARC).** — *(DA)* Mr President, I do not really understand why Mr Dankert is so worried about

a proposal which is only supposed to be in effect for one year. No doubt it is because the proposal on budget discipline is a slap in the face for all those farmers who understood that the common agricultural policy was a kind of economic safety net. If this discipline had been applied for 1985, then we would have had a shortfall of 20% in the resources which the Commission considers necessary for the common agricultural policy. We would be short of one in five ECUs or one in five kroner for only one year. And if you look back to what has happened since 1973, there were only two years, 1974 and 1981, in which we did not reach the ceiling set for agricultural expenditure. In all the other years there was a squeeze on agriculture.

So Mrs Thatcher really has succeeded in taking the farmers hostage in her demands for ever increasing ransoms, or 'my money back' as she is wont to call it. The only surprising thing is that the hostages deliver themselves up voluntarily to Mrs Thatcher, claiming into the bargain that she alone can set them free. But what is being planned is the destruction of the common agricultural policy. I make this point, but I am really not complaining about it, for since we have had to go along with the common agricultural policy our farmers have seen their incomes halved. The agricultural policy is expensive for both consumers and taxpayers without benefiting farmers. It is not the farmers who are milking the agricultural arrangements and therefore, paradoxically, it should not be the farmers, either, who are hit by expenditure ceilings. My advice to Danish farmers is that they should consider their situation very carefully and implement an independent agricultural policy which can guarantee them an income on a level with what can be earned in the towns.

**Mr Pordea (DR).** — *(FR)* The various national governments are faced with serious budgetary and financial problems. Nevertheless, it is important that the European Parliament should not forget that the operation of a strict management policy for the Community budget is a task which it should make its own.

Moreover, the European Parliament should be given real budgetary power. Until now, this power has been a virtual monopoly of the Council. However, budgetary discipline and the rationalization of expenditure, particularly on the agricultural side, should not be allowed to obfuscate two of the vital issues with which we are faced and will be increasingly faced in the Community in the coming years.

First, how can we expect to see a united Europe without strengthening the existing common policies and creating new ones, without developing both an appropriate policy for families and a policy of productive investments designed to create jobs and without laying down the necessary conditions for a far-reaching Euro-African policy? If we wish to have the means

## Pordea

consonant with our ambitions, we shall have to increase the Community budget rather than make swingeing cuts in certain of its sectors.

Secondly, do we really wish to sacrifice the common agricultural policy on the altar of budgetary discipline by squeezing agricultural expenditure into a strait-jacket which would very soon risk stifling it? How, on the other hand, are we to fix financial limits according to the previous two years' figures, as the Council has just decided, when in principle it is very difficult to forecast the rate of increase in agricultural expenditure, which depends on climatic conditions, world markets and the dollar exchange rate? It seems to me that the nub of the problem is this: from now on, the annual negotiations on agricultural prices among the Ten will centre less on increases in these prices than on the way in which they are to be applied, i.e. on the way that the sacrifices are to be shared out between the different products and the different countries. Consequently, national subsidies will be reintroduced by those governments which are more or less well off, according to the militancy of the trade unions making claims. And that, in short, will mean the end of the CAP. We are well aware that it is difficult for the Commission to produce annual estimates, but perhaps more reliable methods could be found to assess receipts and expenditure so that the total budget for the year could be fixed more precisely and we would not have to juggle with supplementary budgets, making unwise commitments to an ever more uncertain future.

Finally, I must emphasize that as long as the Council is tempted to act as the sole budgetary authority, without regard to a longterm project for the Community and without wishing to hold any real dialogue with Parliament, any hopes of carrying out ambitious plans for Europe will vanish. The people at home will gradually turn their backs on our institutions and in particular Parliament, which will then no longer be carrying out the job it was set up to do.

(Applause)

**Mr von der Vring (S).** — (DE) Mr President, we have heard that the Council is debating budget discipline. I should like to speak on that, but wish to make it quite clear from the start that we are not adopting a position regarding the details of the Council discussion, on which we do not have adequate information. The Council, legislative body of the European Communities, is the only democratic law-making body in the world to hold its debates *in camera*. That is not only a betrayal of the basic principles of parliamentary democracy, it is also rather ridiculous. It is high time that the Council gave up this anachronistic shunning of publicity.

The problem of budget discipline is tied up with the package of measures from Fontainebleau. It is all

about solving the current financial crisis. The Community has to find finance to cover expenditure exceeding its income. This expenditure is the result of legislative decisions taken by the Council without considering the Community's financial resources. That is the reason for the Community's current financial crisis.

The problem is the irresponsible decisions on agricultural matters taken by the Council in the past. The problem is the Council's lack of discipline, about which Parliament has repeatedly issued warnings. We are talking about the dubious application of one of the concepts of the Treaties which is in itself dubious — so-called 'compulsory expenditure', which is not subject to the control of the budgetary authority.

I should like to point out to the Commissioner that Article 203 of the EEC Treaty could in this respect be interpreted differently and administered more sensibly. The general objective of budget discipline must, however, be to ensure that decisions on Community legislation which have financial implications are kept within the province of the budget and subject to the budgetary decision-making process. Parliament has repeatedly proposed abolishing the concept of 'compulsory expenditure'. In its present definition, expenditure is compulsory when it is removed from budgetary control, and that is why we are in such a mess.

Parliament has pointed out that if this discrepancy could be overcome, we could finally achieve equality between Council and Parliament as the two arms of the budgetary authority. Such parliamentary and democratic budget discipline will inevitably have repercussions, but Parliament is prepared for them.

We are prepared to enter into an agreement with the Council on joint, disciplined budgetary legislation. We are, in particular, prepared to reach agreements with the Council on medium-term budget trends and rate of increase. We are not, however, prepared to accept restrictions on our rights, nor to accept any imposition of discipline on Parliament at the expense of the rights of this Assembly.

The intentions of some European ministers who have already boasted in their own countries that the budgetary rights of Parliament are to be curbed have not escaped our attention. We shall meet again during the course of the next year, at the vote on the budget, and if any such attempt is made. We shall throw the draft budget in the Council's face. The Council will then soon learn that it cannot disregard our rights in this way.

We must warn the Council that its attempts to subject Parliament to discipline are doomed to failure, and politically senseless. The result of any such attempt would be to cut off the resources needed for new policies — which is what it is all about — but to keep excessive agricultural subsidies. These tendencies are

**von der Vring**

leading the Community deeper and deeper into crisis without solving a single problem. In any case, any such measures against Parliament would not be practicable.

We therefore urge the Council to go forward with Parliament and work out a joint procedure based on equality of rights for budgetary decisions. In concrete terms this means that the concept of compulsory expenditure should be dropped that the Council and Parliament should have an equal say in fixing the Community's financial framework and the way in which it is to develop in the medium term, and that Parliament, as a budgetary authority, will join with the Council to produce any legislation having financial implications. We are prepared to negotiate with the Council on this point. My group unreservedly supports Mr Dankert's report.

**Mr Bernard-Reymond (PPE).** — (FR) Mr President, the draft conclusion drawn up by the Council last Monday, which must be seen as a kind of internal code of conduct which the Council has imposed upon itself, has in fact something of a conspiracy about it and the result is three kinds of repercussion, each of which seems to me to be worse than the other. In effect, it is aimed at limiting Parliament's effective powers, if not its rights, in budgetary matters. It is hampering future progress in the building of the Community and contains the spark which may blow sky high the only really integrated policy we have, the cornerstone of the Community structure, i.e. the common agricultural policy. It is my opinion that the Council is taking upon itself an enormous responsibility for the future of our continent, and whilst understanding its motives, I think it is genuinely on the wrong track.

I would not like, at this time, to embark upon a legal analysis and begin another round in the guerilla warfare which is raging among the institutions of in our Community. I would, however, like to try very quickly to point out the significance of these decisions. We can understand perfectly well the ministers' concern to pursue at European level — as they are attempting to do in their own countries — a policy of budgetary stringency. But the parallel between individual Member States and the Community as a whole has limitations which, curiously, seem to escape the finance ministers. On the one hand, the European budget is extremely small in comparison with national budgets or the Community's gross domestic product, and on the other the Community is an organization which is still being set up, a continent which is still being constructed. Consequently, any budgetary limitation which is not designed to eliminate a wrong use of public funds is purely and simply a barrier to the construction of the Community. And I very much doubt that the state of mind which produced these Council decisions will favour the development of new policies. But there is, I believe, something even worse. In effect, by making the ministers for agriculture fall into line and by forcing the common agricultural policy into a

tunnel with very little light at the end of it, the ministers for finance, with the astonishing complicity of the foreign affairs ministers, are dealing a fatal blow to the most stable and best developed of the Community policies. This is obviously very serious for the world of agriculture. It is scandalous illustration of the northern hemisphere's inability to produce a fitting response to the problem of hunger in the world. And it was a symptomatic twist of fate which led us between 10 and 11 o'clock this morning to talk about hunger in the world and between 11 and 1 o'clock to talk just as blithely about measures aimed at restricting agricultural production in Europe. But over and above these very difficult problems and extremely serious questions, I believe very sincerely too that this budget discipline marks the end of one particular kind of Europe, the end of a Community concept of a European structure whose foundation stone was an integrated common policy.

Successive enlargements, the way the idea of 'fair returns' and the calculation of interest has caught on — and today budget discipline — show us that a certain concept of Europe is dead. Nobody today can say whether it will be a different Europe or something other than Europe which will rise from the ashes. Let us be quite clear about it, the risks are enormous.

(Applause)

**Mr Chambeiron (COM).** — (FR) Mr President, without waiting for a vote from our Assembly, the Council has just adopted conclusions on budget discipline. What lies behind this expression? The Council wishes to put a ceiling on agricultural expenditure, fix a frame of reference and submit any overspending to the approval of the finance ministers.

According to our information, the Council's agreement procedure would make it possible for a single delegation to impose its views. It would be an aberration to confine agricultural spending in a financial strait-jacket, for expenditure depends on factors which fluctuate according to the economic climate or the weather and are not easily predictable. This decision is also a grave violation of Community rules as laid down in the Treaties, since it would prevent the Community from fulfilling the commitments it has undertaken to its farmers through its regulations. This budget discipline stems from the reasoning behind the agreement of 31 March last and the Fontainebleau decisions. Following on from the introduction of milk quotas, it continues the process of dismantling the CAP and attacking its foundations, transforming the Community into a vast free trade area at the mercy of all the winds that blow, with a return of agricultural policies to national authorities.

The Council is admitting defeat before the United States trade offensive and is giving them a free hand on the world market. Agricultural expenditure is going



**Chambeiron**

to be put into a strait-jacket just when the enlargement of the Community is due, a process which ever its warmest supporters wish to carry out at the lowest possible cost while profiting from new markets. The argument about tipping the balance in favour of the south no longer holds good, since there would be tight restrictions on appropriations for Mediterranean crops. Moreover, the proposed review of the 'acquis communautaire' on wine will take us in the same direction.

The French Communist and Allies Group is not in favour of the uncontrolled and limitless expansion of agricultural expenditure, but it cannot accept that farmers' incomes and jobs should be at the sole mercy of budgetary stringency. Our logic runs counter to that which would impose budget discipline. We are opposed to authoritarian reductions in output: on the contrary, it is our desire to defend the Community's agricultural tradition. The Council's decision makes no sense economically and is, moreover an infringement of the budgetary procedure in that it mocks the existing powers of this Assembly. One can and should defend one's powers when they are threatened, as is the case here, but without going as far as the rapporteur, whose aim is to reinforce those powers in order to tighten the screw on agricultural expenditure yet again whilst giving free rein to structural expenditure.

In the immediate future, with a view to fixing agricultural prices for 1985 to 1986, our main concern is to prevent the vice of budgetary discipline from tightening around our agriculture, to allow it to make full use of its assets and ensure for its workers the income they deserve.

**Mr Alavanos (COM).** — (GR) Mr President, as regards the issue of budgetary discipline I would like to point out in principle that this is not just another negative development in the Community — in Greece we have become used to such developments — but that we are being confronted with a qualitatively new element in the Community, which sets apart the position of Greece itself within the Community. This has been underscored in our country by newspapers and journalists who by no means share the Greek Communist Party's opinions on Community matters.

In particular one should stress the fact that a brake is being put on the future development of agricultural prices, as the rate of increase of agricultural spending will remain lower than the rate of increase of own resources.

Here too, I would like to repeat the point made by my colleague Mr Bonde on behalf of the Danish People's Movement against participation in the European Community: if the budgetary discipline mechanism had been applied to 1985 expenditure, the 1985 budget would show a reduction of agricultural expenditure of 20.3%, which naturally would have bearing either on the control of bad management,

which may in fact exist in certain sectors, or on shifting the balance between northern and Mediterranean products.

Consequently, we have to do with a mechanism for imposing a policy of austerity on the Member States, particularly in the agricultural sector, but also in the structural funds. From the salami tactics adopted up to now we can foresee that the Mediterranean Programmes and the credits which the Greek Government expects for the five-year programme will also be incorporated into this Community mechanism.

Mr President, winding up I would like to put the following questions to the Greek Government: why does it tag along with these changes? Why does it drift along with this new austerity policy? Why is it content to make statements to the effect that the Community will honour its obligations, statements which we have heard thousands of times? Why does it not see that the alliances on which it has tried to rely, such as the southern countries, cannot deliver the goods now that France has agreed to budgetary discipline, despite the fact that we announced yesterday that we are buying 40 Mirages 2000?

**Mr Kyrkos (COM).** — (GR) Mr President, when we hear the word 'budgetary discipline', which has become very fashionable in Council terminology, we ask ourselves who are those who must tighten their belts. Nobody, I believe, doubts that it is the less developed countries which will do so, such as the Mediterranean countries, Ireland and the industrially declining areas. For example, when we speak of restricting agricultural spending, what agricultural spending do we mean? Spending that increases', the butter mountains or, spending that changes', structures in Greece and southern Italy and spending that ensures an income that is one third of the average for the farmer in mountainous and semi-mountainous regions in my country? Budgetary discipline leads to another concept, that of respecting the upper limit. However, this engagement, which runs counter to the Treaties themselves, aims at curtailing our Parliament's powers and I believe that all of us will resist this by categorically rejecting these stratagems.

Conservative circles in Europe invoke the scarcity of resources. Our Parliament made a survey of the phenomenon of new poverty in Europe. Would it not be useful to make another survey of the incredible accumulation of wealth which is not invested in Europe's future but which crosses the Atlantic? This policy, which is condensed in the phrase 'budgetary discipline', is unbelievably shortsighted in a historical perspective. It exacerbates all the elements of the crisis without providing a way out. Nobody objects to correct budgetary discipline. No worker wants resources to be squandered, provided, however, there is a package of measures which will include an increase in own resources over and above 2%, the enhancement of the

## Kyrkos

structural funds, the development of new policies, in which the less developed countries, will participate as equals instead of being pushed aside.

However, the policy of budgetary discipline as recommended by the Council and the Commission rings in a new era in the Community's history. It leads to stagnation, to the aggravation of the social crisis, to the abandonment of the basic principle of economic convergence — that is to say it leads to the bankruptcy of the great goals of the Community edifice. We believe that Parliament, as the guardian of the aspirations of the peoples of Europe, is duty bound to condemn this policy.

**Mr Cot (S), Chairman of the Committee on Budgets. — (FR)** Mr President, I was pleased to note that hardly a single voice has been raised here to contest the actual substance of what we are discussing, i.e. the report presented by Mr Dankert defining where Parliament stands on the eve of the opening of a discussion with the Council and the Commission.

I should like to make it quite clear straight away, for the sake of Mr Tugendhat, who expressed a reservation about Item 1 of the Dankert report on the distinction between compulsory and non-compulsory expenditure, that this Item 1 is to some extent *de lege ferenda*. It is to all intents and purposes, a recital which is not really relevant to the subject of the discussion with the Council, since what we are concerned with here, *lex lata* — and what a *lex* — is to implement our Treaties, or to work out how to implement them.

On this own initiative report Parliament has therefore decided to adopt a position spontaneously, without waiting to be invited, both because the matter seemed urgent, although no documents were submitted to us until President Pflimlin received the Council's conclusions, yesterday I believe, and also because it seemed to us advisable that Parliament should define its own position independently, so that, from a juxtaposition of two clearly defined positions, one held by Council and the other by Parliament, a decision may emerge which would be acceptable to both, in the interests of the Community.

What is needed, in effect, is a joint decision, as Mr Tugendhat said, and I entirely agree with him on this point. Since it is a decision on budgetary procedure, it is inconceivable that it should be reached other than by consultation between the two arms of the budgetary authority.

However, like the other speakers, I must express my very real anxiety on the text transmitted by the Council which mentions nothing of all that. On the procedure, Mr President-of-the-Council, I note that having drawn conclusions on its own discipline — paragraph 9 of the declarations, I believe — the Council proposes to examine with the Commission and Parlia-

ment ways of coordinating a joint discipline. That leaves very little room for discussion. The Council seems to be issuing an order, rather than guidelines.

As for its substance, the Council's text at no time indicates the intention of allowing Parliament to join with the Council in defining the budget package, and in the Commission's timid declaration No 8 I fail to find the forcefulness of the letter which President Thorn once drafted on this point.

People try to reassure us by saying that all this has no legal value since there has been no initial proposal from the Commission. It is purely a text in advance. I disagree with this analysis — the leopard cannot change its spots — and I maintain that, insofar as it is an incorrect measure on a point of internal order, it is the responsibility, of the Court of Justice of the European Communities, in that it would conflict *de facto* with the application of the Treaty and, rather oddly, Article 203 which, as I understand its conclusions, is mocked by this text which is a complete misuse of procedure.

If there is no substantial change on this point, I shall for my part recommend to the Committee on Budgets and, if it agrees with me, to the European Parliament that it should have recourse to all possible legal means if our discussion is not fruitful. For, let us be quite clear about it, Mr President, either there is cooperation between the two arms of the budgetary authority or there is conflict. If there is conflict, it will be a legal conflict to ensure that the Treaties are respected, and it will be a political conflict, with inevitable consequences for the whole budgetary procedure.

In our discussion last Tuesday on the 1985 budget, I called for a clearing of the air between the two arms of the budgetary authority and I supported Mr Tugendhat's appeals for budgetary peace. I must say, on this point, that the Irish presidency — and it is not the presidency which is being criticized — has for its part made efforts to improve matters but without, it seems, much success.

Our fears are very real. Our Parliament — as you said, Mr President, — has been very willing to talk on this matter. The contents of Mr Dankert's report also show this. But do not make the mistake of thinking that because we are open-minded we are also weak in some way. Do not underestimate our determination.

For my part, I do not think I have added to the number of warlike declarations or rash actions since my colleagues did me the honour of making me chairman of the Committee on Budgets. I have tried instead to work for peace. I therefore ask today that the Council should take seriously the warning issued by all the speakers before me. I ask it to think again about the way it is going. It will encounter a Parliament deter-

Cot

mined not only to ensure that its own rights are respected but to ensure respect for the Treaty of Rome.

(Applause)

**President.** — The debate is closed.

The vote will be taken during the next voting time.

(The sitting was suspended at 1.05 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR SEEFELD

*Vice-President*

**Mr Pearce (ED).** — On a point of order Mr President, this morning the President undertook to ask the Commission to give an undertaking that they would make a statement on milk quotas. I wonder if the Commission has informed you yet that they are willing to make such a statement definitely in the December part-session. Are you able to report to us on that, Mr President?

**President.** — Mr Pearce, so far I have not been informed that the Commission intends to do so now. Since you are representing the Commission, Mr Tugendhat, do you wish to say anything?

**Mr Tugendhat, Vice-President of the Commission.** — Mr President, I shall certainly reply to Mr Pearce but, I am afraid, not very satisfactorily from his point of view. I was quite unaware of either the question or the answer. It is the first I have heard of it. All I can say to Mr Pearce is that I will certainly convey the point to my colleague, Mr Dalsager, and I hope very much that it will be possible to meet his request though I do not want my statement of that hope to be interpreted as an undertaking because I am not in a position to give one.

**President.** — Mr Tugendhat, we have noted your statement. Mr Pearce, I suppose this will have to be accepted.

**Mr Curry (ED).** — Mr President, I do understand that Commissioner Dalsager is aware of the discussion of this point and of the very real anxiety to people that the whole milk quota system is very much threatened by non-observance and that if non-observance in one country is likely to put pressures on the other countries to follow the same path, then we are likely to follow into a course of organized and systematic lawlessness on milk production. I would be very grateful if

the Commission could confirm that Mr Dalsager, who certainly shares our anxieties — I know that for a fact — will report to this House in December. It is a little after our deadline but we are being reasonable about it. That is a more appropriate time than it is now and we could have a full report, particularly after the press reports of the last couple of days, about the problems in certain Member States, which we understand. I would appreciate it if you would take that point up with insistence with the Commission.

**President.** — I do not think we should enlarge on this. This being so, I think it is appropriate for the Chairman of the Committee on Agriculture to address the House.

**Mr Tolman (PPE), Chairman of the Committee on Agriculture, Fisheries and Food.** — (NL) Mr President, I should like to make a few comments. I must say that I am extremely surprised at Mr Pearce's question. If he follows events, he should surely be aware of a few facts, particularly that as a result of the introduction of the quota regulation production decreases according to demand and that it can be expected that by 1 April we shall arrive at the level of the European quota which has been fixed. He must be aware of this if he has followed the exchange of views and the general trend.

Secondly, there has also been an important decision by Parliament on the payment of the superlevy, the punitive levy. Parliament came out in favour of not paying it before 31 March 1985. After twice hesitating, the Council has now decided not to demand payment before 15 February.

I must say in conclusion, Mr President, that it is not my job to stand in for the Commissioner, but these facts are common knowledge. I have no objection to Mr Dalsager's making a statement in December, but I must say that, as far as the Committee on Agriculture is concerned, these matters are sufficiently well known, so there is no reason why any Member of Parliament should not be aware of them.

**President.** — I think there is no need for us to pursue this matter any further. The chairman of the committee concerned has explained his views again, and Mr Tugendhat, as Commission representative, has assured us that Mr Dalsager will be informed accordingly.

#### 4. Votes

**Report (Doc. 2-981/84) drawn up by Mr Dankert on behalf of the Committee on Budgets on matters connected with the establishment of the Community budget (budget discipline).**

## President

### Paragraph 4 — Amendment No 1

**Mr Dankert (S), rapporteur.** — Mr President, the Committee on Budgets purposely decided to limit the resolution to problems directly within the competence of Parliament. So it is not a judgment on the whole budgetary question. Therefore we decided against the amendment and I repeat that decision here in the plenary.

### Explanations of vote

**Mrs Veil (L).** — (FR) The Liberal and Democratic Group will of course be voting unanimously in favour of this motion for a resolution, and we are pleased that it has been presented in this form. However, we are still very concerned by the document on budgetary discipline which we received from the Council since the motion was adopted.

I must say that on reading this document we realize that it is not in any way concerned with the rights of Parliament. We are afraid that everything has already been decided and that no account has been taken either of this motion for a resolution or of Parliament's powers. I wish to oppose certain statements which have been made very frequently by simply drawing your attention to a document prepared very conscientiously by Parliament which demonstrates that all the inflammatory allegations made about Parliament, namely that it acts beyond its powers and squanders the taxpayer's money, are completely untrue.

To quote just one figure: in 1981 Parliament increased the overall budget by 0.13%, by 1% in 1982, by 0.6% in 1983 and by 0.5% for the 1985 budget. I should also point out that the budget represents only 3% of the total national budgets. So let us not mislead the European electorate into thinking that we are spending huge sums of money for no purpose!

Furthermore, Parliament's decisions and motions for resolutions have concerned universally recognized Community priorities, in particular food aid, the Social Fund for steelworkers, as well as the funds for research. So let no one say that we are ruining the Community and that Parliament is to blame for the fact that we are now obliged to take measures to ensure budgetary discipline. For that is what is being implied. Of course, we know that budgetary discipline has to be applied in such a way that Community expenditure is properly managed and that it does not increase too fast at a time when austerity measures are being applied to all our national budgets. We find this perfectly understandable and acceptable, as Parliament showed yesterday in wisely voting in favour of its budget. This was a highly conscientious and responsible act.

However, we find it unacceptable that budgetary discipline should be used as an excuse to threaten Parliament and to limit its only real power, namely, its power with regard to the budget.

(Applause)

**Mr de la Malène (RDE).** — (FR) My Group, like the Liberal and Democratic Group, will be voting unanimously in favour of the motion for a resolution by the Committee on Budgets.

We are rather concerned about this 'agreement' reached between the national governments last Monday on budgetary discipline. Is that what they mean by discipline? We are in favour of a strict approach, but not that kind of discipline? As Article 2 of the Council's decision quite clearly states, the aim is to ensure that the proportion of funds allocated to agriculture under the Community budget should increase by less than the budget as a whole. This means, simply, that it will be impossible to increase farm prices in real terms; it means that the cut in production (under the agreement of last March) is to be followed by a lowering of prices; and it means that agricultural incomes in the Community will be reduced. This is unacceptable and we are firmly opposed to any such plans. They would deal a blow to farm incomes, the common agricultural policy, Europe and Parliament.

(Applause)

We cannot accept the agreement on these four counts. There are those who are now saying that the agreement was not meant seriously and that it will not be applied. In that case, it should not have been signed! Mr President, we find it unacceptable that certain Governments signed the agreement only to say later that it was worthless. We know it was worthless and shall oppose it — for the sake of the farmers, for the sake of Europe and for the sake of this House.

(Applause)

**Mr Tomlinson (S).** — I, and I hope my colleagues, will abstain on the report as a whole for two main reasons. Firstly, there is a need for budget discipline, but we do not accept that budget discipline is being properly created. The Council has formed its view, a view which we consider to be in no way a legal Community act. It would have been more proper of the Council to have agreed parameters with Parliament, as an arm of the budgetary authority, rather than force an expression of the views of this House through the conciliation procedure in reaction to the Council's document.

Secondly, because of this enforced reactive role, we are fighting on the Council's ground rather than our own. There is much that I applaud in Mr Dankert's report, but there are omissions in it which make it

**Tomlinson**

impossible for me and my colleagues to support it. For us, budget discipline requires an explicit change of priorities — not merely to constrain but to cut agricultural expenditure.

Right-wing parties in this House worship market forces when it comes to the wages of the citizens of Europe. The operation of the laws of supply and demand, not only in respect of agricultural prices but also of the quantities to which those prices are applied, is an essential of budget discipline in our view. It is only thus that we will achieve budget discipline. I hope my group will abstain.

**Mr Pitt (S).** — As someone who frequently makes the point that the fundamental problem we face is a Treaty which is 30 years out of date, I find it somewhat difficult to vote against Mr Dankert's report. However, I shall do so, taking some comfort from the fact that the European socialist parties fought the election in June on a manifesto in which the British Labour Party specifically said that it did not want more powers for this Parliament. I fear that Piet Dankert may be taking us down that course.

Secondly, there is an unholy alliance in this House which I suspect will rally round Mr Dankert in a few minutes time. It is formed by the incompatible coupling of, on the one hand, the agrarians in this House who want to discuss budget discipline because they think it is cutting farm prices too much and, on the other hand, those whom I would like to help and support, Mr Dankert and others, who think that it is not clear or does not go far enough in the opposite direction.

For three reasons I shall vote against. First, the British Parliament has not yet approved the new own resources referred to in the preamble. Secondly, the British electorate is at best sceptical and unenthusiastic about European institutions.

*(The President asked the speaker to conclude)*

For them to get into bed together at this stage is at best promiscuity, and at worst incest.

*(Parliament adopted the resolution)*

## 5. Environment

**President.** — The next item is the joint debate on the

- report (Doc. 2-1010/84) drawn up by Mr Sherlock on behalf of the Committee on the Environment, Public Health and Consumer Protection on the proposals from the Commission to the Council (Doc. 1-351/84 — COM(84) 226 final) for

- I. a directive on the approximation of the laws of the Member States concerning the lead and benzene content of petrol
- II. a directive amending Council Directive 70/220/EEC on the approximation of the laws of the Member States relating to measures to be taken against air pollution by gases from engines of motor vehicles

- report (Doc. 2-953/84) drawn up by Mrs Van Hemeldonck on behalf of the Committee on the Environment, Public Health and Consumer Protection on

the proposal from the Commission to the Council (Doc. 1-781/84 — COM(83) 498 final) for a directive on air quality standards for nitrogen dioxide

- report (Doc. 2-950/84) drawn up by Mrs Schleicher on behalf of the Committee on the Environment, Public Health and Consumer Protection on

the proposal from the Commission to the Council (Doc. 1-1304/83 — COM(83) 704 final) for a directive on the limitation of emissions of pollutants into the air from large combustion plants

**Mrs Weber (S), Chairman of the Committee on the Environment, Public Health and Consumer Protection.**

— (DE) Mr President, ladies and gentlemen, environmental topics, along with the budget, were actually to be central to the discussions this week, but the time at which this debate is beginning does not give the impression that Parliament has really understood this.

The Members of Parliament, the public and the press expected environmental topics to be reported on and discussed here. I find it extremely regrettable that the discussion is beginning so late, that it will probably be interrupted by the topical and urgent debate, and that the vote will possibly even have to be left until tomorrow. As Chairman of the Committee on the Environment, Public Health and Consumer Protection I would like to object strongly to this procedure.

Today a number of proposals on reducing air pollution are to be discussed and a decision reached. Three draft directives lie before us. Since 1979 this topic has been a major concern of the European Parliament. We have discussed acid rain and plans of action, we have passed resolutions, and petitions have been submitted to us. Even in yesterday's budget debate we made clear our interest in the subject. Finally, at the proposal of Mr Collins, and with the support of the Liberal and Conservative groups, we decided to request that the Council table the topic 'Lead in Petrol' for the next meeting of the Ministers for the Environment and all subsequent meetings, until a decision is reached. There is now a possibility that the Council will come to a decision on 6 December.

**Weber**

The Council moved for urgent debate under Rule 57 of the Rules of Procedure, and at the beginning of the week Parliament — although with major reservations — approved the urgency, because it saw the opportunity for a sensible decision. However, criticism must be levelled at the Council for not proposing this urgency sooner. A very awkward situation arose for the committees concerned, but those of us on these committees all tried to live up to our responsibilities. The great efforts of rapporteurs and the committees — the Committee on the Environment, Public Health and Consumer Protection, the Committee on Economic and Monetary Affairs and Industrial Policy, the Committee on Transport and the Committee on Energy, Research and Technology — to enable a decision to be reached even led to the unusual event of a meeting between the four committees two weeks ago. Despite that, a host of amendments on the subject of lead-free petrol lies before you. But please do not panic: not all of these amendments must be voted on, as is the case with budget procedure. Many of them can be set aside when the most important fundamental decisions have been made, because they will no longer be necessary for the voting.

I appeal to your expertise, since I am aware that the subject of lead-free petrol is by no means new to you. I appeal to your understanding of your role as European Parliament not to allow yourselves, because of the Council, to be put in the position of failures who are unable to deliver an opinion on such a sensitive topic. I refer you particularly — on a point of order — to Amendment No 80 tabled by Mr Collins, which incorporates my Amendment No 5 and others, and which states that we consider this opinion to be valid only until 31 December, after which it should be regarded as null and void if the Council does not reach a decision on 6 December. Then we should be able to deliver a new opinion. I beg you to reject every attempt to refer this report back to the committee.

**Mr De Gucht (L).** — (NL) Mr President, I should like you to ask Mrs Weber why this particular procedure has been adopted for the question of lead in petrol and exhaust gases. This is the first time ever in this House that a report has got through to plenary sitting without the amendments having been dealt with in committee. I have been told that there was a certain amount of discussion on it in committee but that it was finally decided at the last minute not to deal with the amendments. This is a totally unacceptable procedure, and Mrs Weber would perhaps do better to explain it rather than to express her concern that we should adopt an opinion for the Council.

**Mr Bombard (S).** — (FR) On a point of order, Mr President, I should like to invoke Rule 85(1) of the Rules of Procedure and request that Mr Sherlock's report on air pollution by motor vehicles be referred back to committee.

In fact, urgent procedure has been requested. But we are faced with 158 amendments, the last of which we have only received this morning. It is impossible to incorporate them into a text and to produce a reasonable text for adoption today.

For this reason I request referral back to committee.

*(Applause)*

**Mr von Stauffenberg (PPE).** — (DE) Mr President, I should like to ask you whether we have come here to discuss a serious and important matter in a parliamentary fashion, to exchange arguments reasonably and in this way to arrive at a decision, or is it to provide an exhibition for electronic mass media, which, starting with the lighting conditions and the like, prevent us from doing what we have been elected to do.

**President.** — Ladies and gentlemen, I should like to inform you of the procedural situation. Mr Bombard has just requested referral back to committee under Rule 85 of the Rules of Procedure. I must keep to the Rule of Procedure and would therefore point out that I have to decide immediately on requests for referral to committee and that one Member must speak in favour and one against.

**Mr Antony (DR).** — (FR) Mr President, the Group of the European Right agrees with Mr Bombard's request...

*(Mixed reactions)*

... just this once!

I should like to add that a document has been distributed which purports to be a press release by the Group of the European Right on lead in petrol. Its insultingly simplistic tone, its narrow nationalism and the words it uses to refer to the Federal Republic of Germany indicate that it cannot possibly come from our group. It cannot express what we think.

We consider that the problem of lead in petrol cannot be properly dealt with in Parliament today and that in committee we ought also to look into the various reports which have been published on this matter.

We fully understand the concern of our German friends...

*(The President asked the speaker to conclude)*

... it should just be referred back to committee, that is all!

**Mr Gautier (S).** — (DE) Mr President, ladies and gentlemen, the request for referral back to committee is a rather transparent manoeuvre.

**Gautier**

It seems to me that the committees had the opportunity to discuss this matter. The Committee on Economic Affairs has proved that it is possible to have a thorough discussion on this matter within the time allowed and to submit motions on it. The Committee on Transport has given its opinion, and so has the Committee on Energy, Research and Technology. The main reason for the request for referral back to committee seems to me that the rapporteur, Mr Sherlock, was presumably not willing to present a committee report.

*(Applause from certain quarters)*

Secondly, this House decided on Tuesday morning to place this urgent topic on the agenda and to debate these reports today. If an attempt is now being made to reverse the decision of Tuesday morning by saying that we shall not now deal with this matter by urgent procedure, it would have been more honest to do so on Tuesday.

Thirdly, the large number of amendments is being put forward as an argument. If you read the amendments, you will see that most of them are the same and will become void if two or three of them are adopted, since they and the first amendment to be adopted will be mutually exclusive. I think that other votes will not take more than a quarter of an hour, and so I would ask Members to vote against the proposal to refer this item back to committee.

*(Applause)*

*(Parliament agreed to Mr Bombard's proposal)*

**Mr Sherlock (ED).** — Mr President, under Rule 67 I demand an immediate apology and unqualified withdrawal by Mr Gautier of his totally outrageous statement that I have held up the progress of this matter! I have pushed it forward with the greatest speed, with my assistants working through the weekend, with the translation services working through the weekend, in order to produce a document. I was appointed rapporteur on this only on 20 September. Of his colleagues, the chairman of the committee, Mrs Weber . . .

*(Protests — The President called for order)*

. . . Mrs Weber is the leader, the chairman, a German national who has the most interest, perhaps, in forcing this through.

The second one is another of the same. And the third one is yet another. They have held it back, not me, until the Greens started treading on their tails. I have in no way been responsible, and I would please have the apology of Mr Gautier either now or in writing later.

*(Applause from the European Democratic Group)*

**Mrs Weber (S).** — *(DE)* Mr President, after Mr Sherlock has just insulted me as committee chairman in a way which I must utterly repudiate because it fails to take any account whatsoever of the gravity of what has happened here, I should like to ask him to withdraw this insult.

*(Applause from the left)*

As chairman of the committee I have tried to put forward the position of the committee and Parliament very dispassionately. I pointed out that the decisions which Parliament has previously taken to reduce air pollution have always had the support of the Conservatives, Liberals, Socialists and Christian-Democrats. I firmly reject the notion that this is only a German problem. Nowadays air pollution does not stop at frontiers.

*(Applause from the left)*

**Mr Poniatowski (L), Chairman of the Committee on Energy, Research and Technology.** — *(FR)* Mr President, I should like to try to pour oil on the troubled waters of this debate.

I am a firm supporter of environmental protection, and I think that without it there will be no economic progress or development in the future. But I should like to say that the way in which this debate has been imposed on us, both in committee and in plenary sitting, is not the proper way to go about it and is unacceptable.

*(Applause)*

I should like to say to Mr Gautier, who was probably not fully informed, that we have not had a report. We have not been able to draw up the report because the time limit was so short. We asked our rapporteur, Mr Nord, simply to outline the views of the various committee members on a subject as important as this, since today it is Germany which is affected but tomorrow it will be the turn of the other industrialized countries of Europe. It is a subject we must really get to grips with seriously.

**President.** — Ladies and gentlemen, there is no point in starting further discussions in the House. I can now allow only points of order and personal statements under Rule 67.

**Mr Schmid (S).** — *(DE)* Mr President, could you please tell us whether Parliament's Rules of Procedure contain rules for the conduct of duels — the question is not out of place in view of the way this debate is going.

**Schmid**

*(Laughter)*

**President.** — The Rules of Procedure do not cater for such an eventuality.

*(Laughter)*

**Mr Collins (S).** — Mr President, I was the individual, the Member of Parliament, who on Tuesday of this week rose and spoke in favour of urgent procedure. I wanted, therefore, to set the record straight now. I think that the seeds of this unfortunate occurrence were sown not by Members of this Parliament at all, not by Members on this side or on that side, or even these people in the middle. The seeds were not sown by these folk at all. The seeds were sown by the people who inhabit the building of the Council of Ministers. Let us be quite clear about this!

*(Applause)*

I have been told in the last 10 minutes by an official of the Council that this Parliament does not matter! Now, Mr President, I want to set the record straight: that is what I was told; this Parliament ought to know that, and this Parliament ought to know who its friends and who its enemies really are! I have to say to you that I think it is about time that this Parliament had a look at the way in which Council can ask for urgent procedure without giving reasons and without having any justification coming from a Minister himself.

*(Applause)*

I have evidence to suggest that this request was unknown to any of the Ministers in the Council and that it came, not from anyone with political responsibility but from the secretariat in order to clear their way. I find that unacceptable, and I think this Parliament ought to investigate it at the earliest possible opportunity!

*(Applause)*

**President.** — I have taken careful note of what you have just said. I take your statements extremely seriously and shall consider with my colleagues in the Bureau how we can influence this matter and proceed in the way you mentioned.

**Mrs Schleicher (PPE).** — *(DE)* Mr President, if it is possible, I should like to propose that the Commission be asked to comment briefly on the procedure and to tell us what the effects will be from the Commission's point of view if Parliament does not adopt an opinion today.

**President.** — Mrs Schleicher, we have taken a majority decision that the report is to be referred back to committee. That means that there must be fresh deliberations in the committee concerned.

**Mrs Schleicher (PPE).** — *(DE)* I wanted to request that the Commissioner should state his views on the procedure which has just been followed in order to give us an idea of the effects which the Commission considers our decision will have.

**President.** — I have heard your request and shall ask the Commission whether it wishes to make a statement.

**Mr Gautier (S).** — *(DE)* If Parliament decided on Tuesday to adopt urgent procedure, is the procedure under Rule 85 at all applicable to such a report?

If your interpretation is that this is permissible under our Rules of Procedure — which I doubt — I should like to ask you what the time limit is in which the Committee on the Environment, Public Health and Consumer Protection must deal with the report, and whether the amendments before us will continue to be valid or whether they must be tabled again.

**President.** — Mr Gautier, in answer to your first question, Rule 85 states that referral back to committee may be requested by any Member — and this is the important part — *at any time*, as was the case today.

In reply to your second question, it may be assumed under Rule 85(4) that when a report is referred back to the committee responsible, Parliament may set a time limit within which the committee shall report its conclusions. This has not so far been the case today.

**Mr Arndt (S).** — *(DE)* Mr President, on a point of order, as regards a proposal under Rule 85(3), if a report is referred back to committee, so are the amendments, there is no doubt at all about that. But no one has ever explained why a debate should not be held anyway. The argument was always put forward that 150 amendments have to be dealt with.

I should therefore be grateful if you would propose to Parliament under Rule 85(3) that the general debate be held today. As far as I can see, before we can do so a Commissioner would have to tell us why such a debate is necessary.

**President.** — Ladies and gentlemen, as Mr Arndt has said, under Rule 85(3) Parliament may hold a debate on a proposal from the President even if we do not vote today. I would have no objections to a debate on this matter being held now.



**President**

That is therefore the proposal from the Chair. If you so wish, I shall put it to the vote, even though I as President am normally entitled to decide. I should be very grateful if you would try not to drag out this difficult matter by raising further points of order.

*(Mr Sherlock and Sir Fred Catherwood asked to speak on points of order)*

Referral back to committee means that the debate and the vote on the amendments in plenary sitting as well as the vote on the motion for a resolution would be suspended, but not the general debate if that is decided by Parliament on a proposal from the President, which is voted on without debate. In accordance with Rule 85(3) you must take an immediate decision.

The PPE Group has proposed a roll-call vote on my proposal.

*(Parliament agreed to the President's proposal)*

**Sir Fred Catherwood (ED).** — Mr President, I should like to say this is the first time in my experience that a group chairman has been refused a point of order, and I protest.

It is quite unprecedented for a chairman to ask to speak on a point of order before the vote has been opened and be refused.

Secondly, since both the report and the amendments have been referred back to committee, I should like to know, Mr President, what we are supposed to be debating.

**President.** — Sir Fred, please do not think I am disregarding your capacity or your group. Please look at the Rules of Procedure, and you will see that they state that an immediate vote must be taken without debate. I have acted in strict accordance with the Rules of Procedure and am convinced that you will agree I am right if you look at the facts again.

**Mr Sherlock (ED).** — Mr President, I am delighted to see the coincidence of your occupancy of the Chair, where you intend to stick to the Rules in a manner which one of your colleagues, a little while ago, described as 'jesuitical'. He, you see, gave a totally obverse interpretation of the Rules of this House — and I give notice now that I intend to hold a public burning of the Rules later this evening because they are no use!

You can ever so slightly belt up a bit over there too!

Mr President, you have ruled in a manner reminiscent of F. E. Smith, the Earl of Birkenhead, and I quote, 'Previous people may have been rude accidentally, I am now being rude deliberately'. You have added yet

another further shameful chapter to the way in which this whole matter has been conducted, railroading the committee and Parliament, and twisting the arms of Commissioners and anybody else who got in the way of this debate. We are now going to waste the greater part — and I shall conspire to see that it is wasted — of the next 2½ hours on a matter on which we are not able to take a vote. If you, Chairman, President — call yourself as you will — think this is a contribution to parliamentary democracy in this Europe that we all profess to love so much, you should go home tonight and sleep upon it. I trust you will wake sore-headed in the morning.

**President.** — Ladies and gentlemen, while in the Chair, I shall not allow myself to be provoked. I have clearly acted within the Rules of Procedure and applied the Rules as they stand.

It would be a good thing if we calmed down again and dealt with the individual subjects objectively. I know that many of you have asked to speak, but if I allow one Member after the other to raise points of order, it is unlikely to get us any further. Please consider carefully whether it is really necessary for you to speak.

**Mr Nord (L).** — *(NL)* Mr President, I respect both the decisions of the majority and those of the Chair. You have just refused to allow any more points of order before a vote has been taken on your proposal, and so I should now like to make the comment which I would otherwise have made before the second vote.

I do not believe, in fact, that Rule 85(3) has been correctly applied in this case. I think that this is an admissible comment. It is very clear that Rule 85(3) applies to requests for referral back to committee when the general debate is in progress. It states that in such a case the discussion is suspended. You can only suspend something which is actually in progress. It is a clear-cut case: when a debate has begun in the course of which a request is made — since this can be done at any time, as stated in Rule 85(1), and as you yourself have just pointed out — to refer the matter back to committee, and Parliament has agreed to the request, it does not mean that we have to stop immediately. We can also suspend the general debate and refer only the vote back to committee. So I think that the application of Rule 85(3) was not justified in this case since we referred the matter back by majority decision even before the general debate began.

*(Applause from the right)*

**President.** — Mr Nord, I appreciate your great experience and your advice.

According to the text which I have before me in my own language, I have acted correctly, and I intend to maintain this view. I should be grateful if you would

**President**

support me in leaving it to the Committee on the Rule of Procedure and Petitions to decide on the exact interpretation of Rule 85(3). As for today, the decision as taken must stand.

**Mr Guermeur (RDE).** — (FR) Mr President, a few moments ago we voted on the proposal by Mr Bombard. Those Members who had come to the Chamber wanted to take part in a procedural debate on whether or not we should debate the question of lead in petrol. We voted on Mr Bombard's proposal after one Member had spoken for and one against. Parliament has expressed its position: it has decided to refer this report back to committee. Thus those who had voted on the procedural debate have left, some to their offices and others to a committee meeting.

Mr President, after Parliament had clearly stated its position on the substance of the matter, you decided on your own initiative, because there was a political question behind the procedural display, to restart the debate and to put the same question in another form to a different set of Members, since those who were interested in this debate had already left.

Mr President, there is a saying in my country that you must distinguish between the letter and the spirit of a rule. You may well have respected the letter of the Rules of Procedure, that remains to be seen; but it is certain that you did not respect its spirit, and that is something I very much regret.

*(Applause from the right)*

**Mr Muntingh (S).** — (NL) Mr President, I should like you to give me some information, and should like to give a few words of explanation. We have come here this afternoon to debate three subjects. The first is the 'industrial furnaces' directive, the second is the NO<sub>2</sub> directive, and the third is the directive on lead in petrol.

Acid rain and the whole problem we are discussing is not caused exclusively by lead in petrol; all in all, that is probably one of the lesser causes. An enormous fuss is being made over it. The report on lead in petrol has been referred back to committee. This means in itself that we shall be able to devote considerable attention to this subject again later, and the subject justifies this. But, Mr President, there are two other matters before us which in my view are at least as important, if not a great deal more important. I should therefore like to ask you to bring this matter to an end at last. Please may we now proceed to a substantive debate on matters which are extremely important, namely the 'industrial furnaces' directive and the NO<sub>2</sub> directive, and can we please come back to the question of lead in petrol at a later stage, since what we are now doing is completely wasting our time on matters which are totally unimportant!

**President.** — Mr Muntingh, what you have said is actually the same as I said a few minutes ago, namely that we should go on to the debate on the subjects before us. It really would be sensible for us to proceed at last to the debate on the important topics instead of having more and more points of order.

**Mrs Bloch von Blottnitz (ARC).** — (DE) I do not know whether the Rules of Procedure allow it or not, but common sense at least should dictate it. I propose that we now vote on the two motions for resolutions before us. After that we can get back to flogging a dead horse, since that is all we are doing. Everyone has his opinion — there is no need for us to exchange any more opinions since it is only a political game anyway.

I therefore request an immediate vote on the reports and motions for resolutions before us. Then we can continue the discussion. Otherwise, we will not achieve anything at all today, and that would be more than ridiculous!

**President.** — Mrs Bloch von Blottnitz, that is also what I have been saying for a long time, namely that we should start the debate. According to the relevant rules in the Rules of Procedure, I cannot prevent anyone from asking to speak, and a number of Members have done so.

**Mr Luster (PPE).** — (DE) Mr President, during the procedural debate you were rebuked from the floor of the House, and I find this disgraceful. I fail to understand how such an honourable Member of Parliament as Mr Sherlock could have so far forgotten himself.

I always enjoy listening to Mr Nord, especially when he is expounding the Rules of Procedure, but I must say that in this case I do *not* share his view but am in complete agreement with you, Mr President: a debate may be held at any time, as is stated in the rule you referred to.

So I think we should not, as a Member put it just now, 'flog a dead horse' — she obviously has a farming background — but should now get on with the subject.

**Mr Sherlock (ED).** — Mr President, I wish to support Mrs Bloch von Blottnitz' suggestion that we should proceed to the two other vitally important matters on the agenda and should there be any residual time at the end — I am glad you claim this as your own idea, although I have not heard you say so, of course — we can use what is left of it for the other matter of exhaust emission. If you are going to take a precise interpretation of the Rules, I would draw your attention to Rule 85(3) which permits only a general discussion and does not permit discussion of amendments.

**Sherlock**

Should we, Mr President, still be unfortunate enough to be graced by your presence in the Chair when we get to that point, I shall hold you to it to the last intervention.

**President.** — I shall ignore that offensive remark addressed to the Chair, Mr Sherlock.

**Mr Huckfield (S).** — Mr President, can I first of all express the hope that you will not be too strict on points of order, because many of us feel that we are now in no-man's-land. Certainly, what has happened this afternoon is, in many comrades' eyes, without precedent. I have to say that in this procedural no-man's-land, I do definitely stand in fond admiration of the efforts of Mr Sherlock to bring this place into disrepute. I can only wish that he had done it from a positive and not a negative motive, and whatever happens at the end of this debate and other debates as regards people like me being disciplined, I hoped that he will be disciplined as well.

Mr President, can I put to you my main point of order?

*(Laughter)*

**President.** — I should be very grateful if you would.

**Mr Huckfield (S).** — Since we have taken a vote in this House to refer the resolutions and the votes back to the committee. I really would like to know, if we are going to have a general debate, what we can have a general debate about, because it now seems to me that anything that we say, which we claim is in order, will then be in order? We really can have a situation where we can claim, when we stand up and make a contribution, that anything that we like to say in some way pertains to the general debate that we are supposed to be having.

I do seek guidance from you, Mr President. If we are going to have a general debate, and we have already referred the subject of the general debate back to the committee, what are we supposed to be talking about?

By the way, do we, at this moment in time in this Chamber, have a quorum?

**President.** — Mr Huckfield, there is no need to ascertain whether a quorum is present; such a request is only admissible before a vote.

**Mr von der Vring (S).** — *(DE)* Mr President, according to the agenda there is a joint debate on three subjects. Anyone who has entered his name on the list of speakers may take part in this debate.

Why do we need a general debate and what is involved in this item which has been withdrawn from the agenda? We are not here to increase European nationalism but to eliminate prejudices and to make people understand — in my country also — what objections exist in which country when proposals are rejected. That is the important thing, not the vote. It must be made clear that it is objective arguments which we have in this House and not one nation opposing another. It is our task to eliminate all nationalistic reactions and prejudices.

*(Applause from the centre and the right)*

**Sir James Scott-Hopkins (ED).** — Mr President, I have been in this House 12 years and I am very sorry to see this House is behaving in this manner. I think what has gone on in the last three-quarters of an hour has done our reputation no good nor, indeed, the reputation of European unity. And this I regret deeply. Whether it is your fault, Sir, or whether it is anybody else's fault, I am not going to comment on it. What it has done has brought this House into disrepute — of that there is little doubt.

What I hope will happen now — and the sooner the better — is that we will continue with the debate on the two reports which are on the agenda and get on with them as quickly as is possible. The Sherlock report has in fact been referred back; we should now go on with the other two reports and get on with the debate straight away. I hope you will so rule, Sir. What has happened in the last three-quarters of the hour will, I hope, be treated as water under the bridge and not be continued.

**Mr Prout (ED).** — Mr President, I wonder whether we should not have a rule in this House declaring any reference to nationality an unparliamentary remark?

I wanted to make two points of order. The first one has been made more eloquently than I could have done by Mr Nord, and I am delighted you are going to refer it to the Committee on the Rules of Procedure and Petitions.

The second one relates to the relationship between Rule 82(1) and Rule 85(3). The first sentence of Rule 85(3) states 'Where so decided by Parliament on a proposal from the President, which shall be voted on without debate . . .' The question I want to put to you is does 'without debate' exclude Rule 82(1)? I should be grateful if you would also refer this matter to the Committee on the Rules of Procedure and Petitions.

**Mr Nordmann (L).** — *(FR)* Mr President, I must say that I am extremely embarrassed since, apart from the — to say the least — doubtful vote which you tried to obtain from the House on the prolongation of a debate on a text which had been referred back to com-

**Nordmann**

mittee, you said just now that a request to establish whether a quorum is present was not allowed since there was no immediate vote on a text. However, since you wish to make this debate all-embracing, it seems perfectly possible to request a quorum now and at any time during the debate for certain of the texts which are still on the agenda.

In fact, Rule 71 of the Rules of Procedure states that it is possible to request that it be ascertained whether a quorum is present before a vote, but it does not state what the limits of this request are. Thus, contrary to what you said with — to express myself euphemistically — a certain amount of haste, we can make such a request at any time with regard to the texts which are still on the agenda.

**President.** — Mr Nordmann, in accordance with Rule 71(1) of the Rules of Procedure, Parliament may hold a debate at any time irrespective of the number of Members present. This is what is happening now. The vote comes later, and the question as to whether a quorum is present may be raised then.

Mrs Schleicher asked me earlier to ask the Commission to state its views on this matter. Mr Narjes has agreed to do so. I shall ask him to speak, and then we shall debate the items on the agenda.

**Mr Peters (S).** — (DE) This is a debate with reversed alignments and clever dodges. I was aware that British Members know procedural matters and debating rules inside out. But today I have experienced another admirable example of it, and I admire the persistence with which they have carried it through!

It is all about a debate without a vote being taken at the end of it, and it is a debate which you, Mr President, rightly initiated. I have the impression that British Members and Members in a few other quarters wish to prevent the opinions of Parliament being put forward, but they should and must be put forward, even though they are controversial, so that the Council at least finds out about the opinions which exist in this Parliament now that the majority has seen to it that a decision by Parliament on the subject cannot be announced. I am grateful that this possibility is open to us.

**Mr Narjes, Member of the Commission.** — (DE) I should like to state the following in answer to Mrs Schleicher's question.

Firstly, it is the Commission's political objective to arrive as quickly as possible at decisions on the three motions for resolutions before us today. Urgent procedure for the Sherlock report and resolution was also requested by the Commission.

Secondly, the Commission assumes that Parliament will now be able to take a decision in December. To

make absolutely sure that this is the case, the Commission would welcome corresponding requests being made under Rule 85(4).

Thirdly, in the present circumstances the Council of Ministers will not be able to take a decision on 6 December, but I assume that it will debate the matter on that date. It would be of assistance to the Council in its debate to know what currents of opinion and views are expressed in this House.

Fourthly, the Commission assumes that in the present circumstances it will be necessary or at least desirable to call a further meeting of the Council between the European Parliament's December part-session and the New Year, so that the Council can take the decision which otherwise could not be taken until 6 December at the earliest. I assume here that all the governments are aware of the risks of what might happen in the Community internal market as a result of failure to take decisions and the subsequent escalation of unilateral action, which in turn will cause damage going far beyond the economy.

(Applause)

**President.** — We shall begin with the debate on the three reports before us. Everyone is aware that today we shall vote only on the report by Mrs van Hemeldonck and the report by Mrs Schleicher. I now call these two rapporteurs to present their reports. Any other Members who wish to speak may do so in the debate.

**Mrs van Hemeldonck (S), rapporteur.** — (NL) Mr President, I am sorry that the members of the public listening in the public gallery and the press present have had to bear witness once again to such a contentious debate. However, I think that the hour and a quarter we have spent on points of order is a fair reflection of the strong interests which underlie this debate.

It is not just the interests of the powerful multinationalals which are at stake here, but the Member States' national budgets, not to mention the continued existence of our natural environment, of mankind, even of agriculture in Europe. The strong interests I refer to are the lobbies from industry-oil refineries, the oil industry, the automobile industry, the technological world. But there are also consumer interests: what will happen to the price of electricity, the price of a car, how much will the polluter actually have to pay, what are the effects of air pollution on the Member States' overall national budgets, how much do our national health services spend on combating lung cancer, caring for bronchitis sufferers, etc.? In other words, the alterations we have just witnessed are merely a reflection of the enormous interest there is in this issue. I think therefore that, all in all, we should regard this as positive.

**van Hemeldonck**

I would like, before I present my report, to thank a number of people who have helped to give it a sound basis, firstly my colleague Hemmo Muntingh, who conducted the hearings on acid rain so competently. Secondly, my thanks to those who came to the hearings on acid rain, not just the researchers, but also the very important people from the industrial world, including the multinationals, technologists, pressure groups, trade unions and consumer groups, and Ispra, the Community research institute, which we all too frequently forget and whose contribution on this occasion was extremely positive.

I have the feeling, Mr President, that we are dealing with an extremely well prepared technical dossier. We now know about acid rain virtually all that we need to know to take a number of basic decisions. Furthermore, despite the confusion today in this House, the political climate is favourable. After the European elections and the election campaign, every Member of Parliament who has now been elected knows how concerned the European citizen is about the protection of the environment and more particularly about the problem of air pollution and acid rain.

A number of political statements have been made. The Convention on transboundary air pollution has, it is true, not covered everything and, nitrogen dioxide for instance is not mentioned, but on the other hand the Environmental Council held in June — immediately after the European elections — was well aware of the political pressure from the European people, and reached a political agreement at the Stuttgart Summit on environmental affairs. The EEC also signed a protocol to the Convention at the end of September in Geneva, on the long-term financing of the programme for cooperation in the field of control and evaluation of long-range air pollution in Europe. In other words, we have both a consensus of public opinion and what is really a very favourable political climate. It should therefore be possible for the Council of Environment Ministers which meets in December, to give a clear indication of precisely what we are aiming for.

I think it is rather unfortunate that we must limit the debate, because it is clear that a debate on air pollution should be placed in a broader context. Only in the laboratory is it possible to study the specific effects of lead, sulphur dioxide and nitrogen dioxide in the air. In reality, lead, sulphur dioxide, suspended particles, the emission from large industrial furnaces and exhaust fumes occur in combination, and not separately. People are naturally going to live in places where cars are driven. They use electricity, and so there are large industrial furnaces and sulphur dioxide is found everywhere where there is combustion.

It would be a good idea therefore to have a combined consultation, in the Council as well, and to take all these factors into account. Clearly, the one does not complement but aggravates the other — every one of these factors, added to the others, only serves to make

the effects of the others worse. Naturally we would like to see action on every source of pollution, on lead in petrol, exhaust fumes, nitrogen dioxide in the air and emissions from large furnaces.

The problem of nitrogen dioxide in particular concerns not only the protection of the health of man and animals, but also the protection of the environment and, even more, of our cultural heritage. I was struck very forcibly by something our colleague Mr Muntingh said during the hearing on acid rain, when he was showing a series of photographs of historical monuments which had stood throughout the ages, monuments to our cultural past, which he said had withstood the centuries and which are now melting like ice under the effects of acid rain. I would like to know that the Committee on the Environment, Public Health and Consumer Protection intends to tighten up the standards laid down by the European Commission in my special field, nitrogen dioxide, since among other things the Parliament working party has more recent scientific information, including information on health. It is quite clear that nitrogen dioxide can be carcinogenic. It is clear that it always occurs in combination with other air pollutants and that as a result it is important to set the threshold values as low as possible. Our proposal is therefore to establish much lower threshold values than were set by the Commission.

We would also like to see a long-term target, in other words gradual reduction each year in the limit values to a minimal value. We are dubious about the measurement conditions and the circumstances under which the measurements will take place. The siting of measurement stations is particularly important. They could be put in the city park and thus cause less problems than they would in underpasses beneath any of the major European cities. This is why we are pressing for a regulation governing the siting of measurement stations. We would also like to see an improvement in methods of analysis and sampling, because discrepancies in measurement need to be prevented. I would therefore like to draw your particular attention to the frequency of measurement, since it is obvious that depending on the climate — high humidity, seasons, districts where there is a lot of mist or where there are very wide variations in temperature — the chemical conditions under which compounds are formed can change. Measurements must be taken frequently to find an average, taking into account the peaks.

Finally we would like to consider emergency levels. This already exists in other places, such as Japan, Los Angeles and some of the American states. It is a system which unposes a brake, forcing the citizens to realize that the accumulation of pollutants is reaching a critical level.

Mr President, I was also the draftsman of the opinion of the Committee on Economic and Monetary Affairs and Industrial Policy and perhaps I could say a word about that, so that I don't have to speak again.

van Hemeldonck

I will make this very short. I would like to emphasize one point of the advice given by the Committee on Economic and Monetary Affairs and Industrial Policy on Mrs Schleicher's report on large combustion plants, which does not, I think, come up in any other text. The Committee on Economic and Monetary Affairs and Industrial Policy pointed out to the European Commission that it would be useful to negotiate with Eastern European countries which contribute to air pollution in the EEC. I am thinking mainly of the electricity generating stations in Poland and Czechoslovakia and the large industrial furnaces in East Germany, Poland, Czechoslovakia, etc., in particular in the steel industry. I think this would be a further interesting point for consideration, and we would appreciate the Commission's reaction.

(Applause)

IN THE CHAIR: MRS CASSANMAGNAGO  
CERRETTI

*Vice-President*

**Mrs Schleicher (PPE), rapporteur.** — (DE) Madam President, ladies and gentlemen, the problems and effects of air pollution are becoming more and more critical. What constitutes a barrier for 270 million people in the EEC poses no problems for air pollutants — distressingly so! They are oblivious to borders and border controls. We export 50% and import 50% without any restrictions. If any more proof were needed of the need to act in Europe it is the fact that the Members of this House have been taking one initiative after another on the problems of air pollution for five years now.

Mr Muntingh's comprehensive own-initiative report on acid rain was compiled in response to my Group's motion for a resolution in 1982 and was subsequently discussed at great length in this House almost exactly one year ago. Again on a proposal from my Group the Committee on the Environment, Public Health and Consumer Protection conducted a hearing on the problems of air pollution in Brussels in April 1983, and questions and resolutions from all groups as well as reports on Commission submissions complete the large number of initiatives listed in the report. Not least because of this considerable pressure from us MEPs as representatives of the people of Europe the Commission was spurred into rapid action and within just one year drew up five draft directives on the problems of air pollution, namely a research programme on fire and acid rain, the proposed directive on the combating of air pollution from industrial plants and finally the three proposals under consideration today.

A host of measures resulted which must be considered and understood as a whole. This development refutes

the current belief that Parliament has no influence. It is on record here that we MEPs took up the cause of the people of the EEC, articulating their fears and worries to the Commission in such a way as to get something done about them. In modern-day speech you might describe the European Parliament as a promoter of policies on the protection of the environment in Europe. Of course that sounds much too nonchalant in the light of the serious problems, conjuring up pictures of happy leisure time in healthy and probably green woods. But I can only confirm that all Members of this House, at least from my experience of them in environmental activities, are genuinely committed to this work.

It is indeed a great hour for this Parliament today to be deliberating on such important matters for our people, which the Commission has presented to us in the form of three items of draft legislation. Without the opinion of Parliament the Council of Ministers for the Environment, meeting on 6 December, cannot make a decision. The draft directive on the limitation of emissions of pollutants into the air from large combustion plants is of paramount importance within the overall series of proposals. It is the first implementing directive of the outline directive for the control of air pollution from industrial plants, which was approved by the Council of Ministers in March. For the first time limits have been set on permissible emissions of sulphur dioxide, dust and nitrogen oxide for plants with a capacity in excess of 50 megawatts which are driven by the fossil fuels coal, lignite, peat, oil and gas. The regulations apply to all power stations and industrial plants. The limits will apply to new plants as from 1 January 1985. For old plants, the Commission has chosen the more indirect and less stringent method of allowing all Member States the freedom to decide themselves how the objective can best be reached.

The objective is a global reduction in current levels of three air pollutants by a certain percentage by the year 1995. That means, however, that a country which builds no new plants by 1995 has potentially until 1994 to adopt measures for its old plants. The specified reduction can be obtained by other means, by converting plants run on coal and oil to other energy sources e.g. to nuclear energy. The result would be that all the old heavy-pollution plants would remain in operation for another 10 years. All groups agreed unanimously that this is unacceptable.

Initiatives are needed in two further important areas — all smaller plants which similarly emit high percentages of pollution must be covered by some form of legislation. Because the technology necessary for large plants gives rise to high costs the Commission intends to submit proposals on fuelling. This must be effected as soon as possible.

The second area, over which we have no direct influence, concerns the Eastern Bloc countries. The United Nations ECE Treaty on the cross-border carriage of

**Schleicher**

pollution applies here. Negotiations within this framework must be intensified and extended with the aim of spurring these countries into action, both in their own and our interest. By a large majority, with only three votes against and two abstentions, the Committee on the Environment, Public Health and Consumer Protection came out in favour of more stringent proposals on the part of the Commission or, to be more precise, of at least a five-year reduction in the time limit, a drastic lowering of the admissible emission levels, a new policy on the height of waste gas stocks, including old plants in the regulating process by establishing concrete values, and eliminating many of the exceptions which the Commission is still permitting. You have before you the appropriate amendments tabled by the Committee on the Environment, Public Health and Consumer Protection. The Committee agreed unanimously on the broad lines, although there were a few differing opinions as to how the desired results were to be obtained. All proposals had their positive aspects. Even if the Committee did not follow my recommendations in every respect, as rapporteur I can still maintain that the Committee's amendments represent carefully thought-out results which I, in the interest of the environment, can fully support. The Committees on Agriculture, Economic and Monetary Affairs and Energy, Research and Technology, which were also consulted, support the decision of the Committee on the Environment, Public Health and Consumer Protection.

The very far-reaching demands resulting from all this will have a considerable financial impact on the industries concerned and will certainly prove more difficult for some Member States to satisfy than others. But — and I know that most people in this Parliament and certainly all the people in the Community agree with me on this — these measures are necessary if the very basis of existence of the people of Europe is to be safeguarded. Everything now depends on how effectively and quickly action is taken. It is because of this that I urge the Commission to support fully the opinion of the representatives of the people of Europe i.e. the European Parliament before the Council and to press them to reach a decision quickly. The European Parliament will then have fulfilled its task.

**President.** — I call Mr Pearce on a point of order.

**Mr Pearce (ED).** — Madam President, may I say how nice it is to see you in the Chair after recent events.

I am sorry to raise a point of order at this stage under Rule 67(2) — I wanted to make it before but this was refused. Then I thought I had it agreed with the Chair that I would be able to make it a few minutes ago — it seems that somehow the message got lost.

My point is, Madam President, that a little while ago when somebody else was in the Chair which you now

occupy, a Member across there made an accusation that what has gone on in this unseemly session was a British operation of some kind, and I would like to dispute that most fully. It was not a British chairman of committee that produced for this House a report which has not even been discussed properly in committee, let alone amended. It was not Britain that requested this unseemly urgency. It was not a British person who occupied the chair over there. It was not a British person who proposed or seconded this motion. I wish for the benefit of those who read the account of this thing to refute totally that allegation. It is unfounded, it is untrue, it is unworthy. If at the end of the day, Madam President, people come to think that the rest of us have been the victims of some kind of trick to cram something through this Parliament, well, people may have some sympathy with that point of view.

**President.** — Mr Pearce, I would inform you that, since it was a personal statement, you should have spoken at the end of this debate.

**Mrs Weber (S).** — (DE) Madam President, ladies and gentlemen, I am really rather surprised that I, as speaker for the Socialist Group, am already being called upon to speak since it is more normal for the rapporteurs to give their views on their reports first. I therefore beseech Mr Sherlock to comment on his report since I consider this to be absolutely necessary, especially after the heated debate we have just had.

The forests are only *one* yardstick for the condition of the air, even though everyone thinks that the Germans are only concerned about the forests. Air pollution affects the soil, health, buildings and much more, and that means that damage to the forests is an unambiguous indication of the seriousness of the present situation.

In order to throw some light on the situation I would like to say, however, that only 50% of the 7.3 million hectares of forests in the Federal Republic of Germany remain undamaged and from 1983 to 1984 serious damage to firs rose from 7.8 to 12.8%, the corresponding figures for the oak being 13 to 35%. People from all countries are extremely anxious and not only about damage to the forests, which I can easily demonstrate by the petitions we continually receive. I have received 600 signatures, and petitions with 200 signatures were recently submitted to us. That means people are afraid we will do such permanent damage to the air in our generation that future generations will be deprived of the clean air which they so desperately need to live.

I also believe it is obvious from the three points under discussion today that only a sensible economy which takes environmental damage or effects into account is really economic in the long term. I believe the exam-

**Weber**

ples of the Japanese and Americans should demonstrate to us that it is not a question of exposing a contradiction between ecology and economy, which in fact does not exist, but rather of realizing that the European economy will only succeed if it takes ecology into account.

Now on to the regulation of large furnaces. Mrs Schleicher, as rapporteur, spoke at length on this subject. Cross-border pollution makes regulation at European level necessary since there is unfortunately a west-east gradient in the Community, which also affects people's awareness of the problem; for this reason we in the European Parliament should try to reach a decision which will have a guiding function. The mind ranges where it will; the wind, on the other hand, blows mostly from west to east.

The Committee improved on the Commission proposal in some essential points. The distinction between old and new furnaces is now related to the operating licence rather than to planning permission, which is a vital point. Regulations on exceptions have been done away with and the height of stacks limited, which means that the Committee's draft is now superior to current national regulations. I therefore ask the members of this House to follow the Committee's advice in all essential points and to improve on its recommendations where necessary.

**Mr Alber (PPE).** — (DE) Madam President, ladies and gentlemen, the title of this debate is designated quite appropriately on the monitor: 'Pollution.' It should actually be called 'Control of Pollution' but the way we are debating it is contributing more to pollution than to its abatement. What has taken place here is akin to a classical tragedy and we must not only make provision for the cleaning of exhaust gas from vehicles but also of the hot air from politicians' speeches. But that is another issue.

The way in which we want to solve the problems is tragic, or to be more precise it is the postponement of the solution which is tragic. There could hardly be more procrastination and lack of agreement regarding the resolution of this vital issue. It is astounding, when one considers that waste gas cleaning technology has already been in existence more than 10 years — regulations were first introduced in America at the beginning of the 1970's and Japan also brought in regulations during that decade. It is significant that for the first flight to the moon the application of technology from the utopian stage at the drawing board to realization, was effected more quickly than the application of an established technology in Europe. It is not that we wish to limit technology to the use of a catalyst, even though some think it is. If better values could be achieved by means of a catalyst, then the other methods would have to be measured against these values. How the results are achieved is immaterial provided they match the optimum results possible today.

The rapidly increasing damage to the environment, the dying forests and the negative effects on human health are so serious that long and onerous research programmes can no longer solve the problems. Action is required, not research programmes, and if Europe gives priority to economic and trade interests, relegating environmental and health issues to second place, no one can be surprised if the majority of people regard a Europe of this kind sceptically, that is if they don't reject it outright.

The preamble to the EEC Treaty states that Europe's function is to accomplish technological progress and to contribute to on-going improvements in living conditions. What we are now offering is the exact opposite of what our obligations in the Rome Treaties stipulate. In the interest of the people a lowering of the quality of life instead of an improvement can no longer be tolerated.

In the Federal Republic of Germany, we see that purchasers of vehicles have become very wary, preferring to put off buying cars until they know exactly what the position is. The citizens are more attuned to the cause of the environment than the politicians. Let us hope that they are also shrewder. That wouldn't be hard!

**Mrs Caroline Jackson (ED).** — Madam President, I am in some difficulties — as anybody is — when speaking on the question of lead in petrol because we are debating this — though already we have heard a lot from him — without having heard the views of our rapporteur on the question. We will, standing the argument on its head, of course be voting in the January part-session with our minds unsullied by argument on the point. In fact, as far as I am aware, there is no need for Parliament to hurry to give its view on lead in petrol because the Council cannot take any decisions without our actual opinion.

Madam President, I should like to start by emphasizing that although a number of my colleagues will later on today, or maybe tomorrow, or possibly next month, be intervening in this debate on lead in petrol, their contributions are personal ones and in what I am going to say, I am presenting to this House the official views of the European Democratic Group.

In 1983, this Parliament adopted a report drawn up by Mr Ceravolo, which called on the Commission and on the Council to propose legislation to bring about the removal of lead from petrol. I should like to put it on record once again that my group fully supported that call, both because we accepted that the available scientific evidence did tend to show the adverse effects of airborne lead on the physical and mental health of the population and because we saw this move as a first and necessary prerequisite for the further control of other vehicle exhaust emissions.

Shortly after the approval by Parliament of the Ceravolo report, the British Government announced that it



**Caroline Jackson**

intended to work with its Community partners to introduce unleaded petrol by 1990 at the latest. Britain therefore — I put it on record once again — became the first Member State in the European Community officially to endorse the views expressed by this House. There is no gainsaying or opposing or shouting that down.

Madam President, I should like to stress that both my group and the British Government remain fully committed to that policy, which we believe is a prudent and necessary measure to protect the health of our citizens and our environment. We therefore wholeheartedly support the Commission's proposals on this matter which we believe contain a reasonable timetable for an orderly transition to leadfree petrol. And we sincerely hope that the Council of Ministers will reach a decision on this matter as soon as possible.

The second part of the Commission's proposal dealing with vehicle exhaust emissions seems to my group to be a rather more difficult matter. We do accept the need to bring about further reductions in vehicle exhaust emissions in view of their likely role in contributing to, amongst other things, forest damage. But I use the word *likely*, deliberately. Given the uncertain state of scientific knowledge on this matter it is our view that whilst prudent, precautionary steps are warranted, a headlong rush up a technological cul-de-sac is not. Whilst, therefore, we agree that the reduction in exhaust emissions which the Commission is proposing must be achieved by 1989, we do not accept the proposals concerning those further reductions planned for 1995.

Finally, Madam President, I would like to address those of our colleagues who have come forward with a variety of amendments seeking to ensure that standards even stricter than those proposed by the Commission are brought into effect preferably yesterday but at the latest tomorrow! It is not always clear what people hope to achieve by such amendments, but it is clear that by instinctively proposing the earliest dates that they can think of, and the lowest figures that they can lay their hands on without the slightest regard to either cost or practicality, they actually do a disservice both to the cause they seek to promote and to the interests of this Parliament.

**Mrs Squarcialupi (COM).** — *(IT)* Madam President, we were expecting a great day of parliamentary debate on the control of pollution, and now the debate seems ruined. But we should not become upset at the consequences of the initial hesitation and subsequent haste shown by the Council and the Commission.

We do not want to become involved in the consequences of malfunctions caused by others and by their lack of political will. But unfortunately the new composition of the European Parliament has led to more bungling and to a lack of understanding, forcing the

committees to work at a pace and with methods which certainly do not encourage peaceful and well-informed debating.

The draft directives submitted by the Commission are tainted with weaknesses, being insufficient to seriously tackle the many problems, but they may serve to break the barrier of silence, connivance, ignorance and profit at all costs surrounding the subject of the protection of the environment.

It is therefore our duty to improve them and above all to endeavour to see that they are adopted as soon as possible: it would be serious if these directives were to suffer the same fate as the one on the environmental impact.

Unfortunately, the haste has prevented a thorough comprehension of the whole situation. The directives to be voted on today contain tables and data which seem totally obscure due to the lack of committee time available to the proponents for explaining the basis on which they were drawn up. Unfortunately, we cannot accept those tables and data. Other proposals are quite comprehensible, however, and we shall approve them.

Now we come to the lead content of petrol and to pollutant wastes. Here the problem of 'institutional haste' is even more serious: today we have seen that its consequences resemble those of setting fire to petrol. In fact, our committee never discussed the subject, and therefore a sometimes bitter confrontation has developed between those who live and work in different environmental, cultural, geographical and economic conditions.

However, not having debated this issue before, I have only this opportunity to indicate clearly the position of the Communist and Allies Group: generally speaking, we are very much in favour and have four specific requests, which I will now summarize.

The directives and their application must have effect throughout the whole Community, without individual countries dashing on ahead, since this would damage the united front on pollution control and could give rise to ill-feelings between peoples or between those suffering from the effects of pollution.

Point 2: we must endeavour to control noxious emissions from vehicles, but not by recourse to one single method, so as not to end up with a 'catalyst war' here as well, or indeed more of the reprisals and protectionism which we unfortunately often see in our markets.

Point 3: we wish to tackle pollution on a broader basis than that proposed in the directive on emissions from vehicles, by taking action on heavy vehicles, diesel engines and speed reductions. Let us remember that the directive which we are debating so heatedly today tackles only a tiny part of the pollution problem.

**Squarcialupi**

Point 4: we intend to strive to have the deadline for the application of the directives shortened as much as possible, forcing the Commission and the Council to accept very firm conditions from the European Parliament which will at the same time allow ample opportunity for consultations between Member States. It is necessary to avoid precise dates — general indications on a reduction in deadlines are preferable.

Finally, the fight against pollution must be on a broad, well-informed front, with the participation of all social groups and countries if it is really to be a fight for civilization and survival, and to avoid the danger of only some countries heeding Community standards and others turning their backs on the problem, citing social and economic grounds which are bound to carry a lot of weight at the moment. Therefore, while it is true that we must act soon, we must also act in unison.

**Mr Nordmann (L).** — (FR) I would like to say, on behalf of the Liberal and Democratic Group, that the combating of industrial pollution and all other forms of pollution affecting our environment and daily lives is an absolute necessity and that our principles and objectives should be beyond dispute. It is important that action should be taken at Community level, since national measures are often at variance and make it impossible to conduct an effective anti-pollution campaign.

It remains to be seen how 'Community action' will compare with the action already undertaken. Should we use the Community institutions and legislation to race ahead wildly with our plans, or should we try to find the means of achieving effective coordination enabling us to take prompt action by applying the same standards and pursuing similar goals?

This, I feel, is what is really at stake in this debate between those who are in favour of rushing wildly ahead and whose ideas on ecology are rather blinkered, and those who, while aware of the need to combat pollution, try to make anti-pollution measures feasible and acceptable as well as compatible with maintaining an appropriate degree of economic dynamism; in short, between the idealists and the realists.

In both the texts which we now have to examine — and we are obliged to work to a tight deadline — I feel that the point of view of the rash idealists has sadly tended to eclipse the views of those who favour realism and practicality.

In both documents under discussion, the limits which have been set too low and, in particular, the deadlines which fall too close together — and this is what most of the amendments have been concerned with — could make it impossible to implement the decisions reached, even though we agree on the underlying principles. For this reason, and failing any last-minute amendments, we shall be abstaining from voting.

**Mrs Bloch von Blottnitz (ARC).** — (DE) If we take stock of our present natural resources, then we can only despair or resign ourselves. We are now paying the price for our truly criminal ecological mismanagement in the form of poorer quality of life, while the financial burden will have to be borne later. I don't think anyone really knows how heavy this burden will be. Thus, environment policy must assume a predominant role in Community affairs, because it is always a policy which is directed at peace. It was in fact basically the desire for peace which led to the creation of the Community, and I think we should constantly bear this in mind.

Environment policy is also concerned with creating employment and with the economic use of resources. We 'green' members would naturally have been very pleased if a more rapid procedure had been adopted for dealing with the reports before us on large combustion plants and nitrogen dioxide. However, we told ourselves that we had to draft a joint report and that this would take rather longer. We in the Committee on the Environment, Public Health and Consumer Protection have adopted a joint report representing all political parties, and a joint report on lead-free petrol would also have been very welcome.

However, our first moves towards a solution were blocked by the British Conservatives. I always thought the word 'conservative' implied preservation: now it seems that the Conservatives are sitting on *this* side of the House! It should surely be possible by now to produce a comprehensive environmental programme, for this is the only way to deal appropriately with this serious situation. European environmental policy must also become much more than just reducing everything to the lowest common denominator, making vast numbers of exceptions and setting innumerable permissible limits. This is not the right approach to the problem: environment policy must be forward-looking. Moreover, the most effective policy for dealing with air pollution is always concerned with energy conservation. This means that the Committee on the Environment, Public Health and Consumer Protection and the Committee on Energy, Research and Technology should cooperate for once and not pursue different objectives. I also feel that the Commission should play a part in this matter: this would be more useful than constantly slowing things down.

The Commission should also be required to submit forward-looking proposals. It should then be up to the Council to implement Parliament's decisions. This would speed up progress considerably.

It seems rather ironical to me that today we are also discussing the adoption of an emergency health card. Why do we need this? Because as much as 10% of the population of western Europe suffer from allergic respiratory diseases, a fact which has a bearing on the issues under discussion. Air pollution is a problem affecting all the countries in Europe, but in each coun-

**Bloch von Blottnitz**

try attention is focused on a different problem. In Germany we are concerned with the dying forests, the Scandinavians and British are concerned with acid lakes, while the southern countries are worried about damage to historic buildings and monuments. But there is one thing we should be very clear about — the air which causes this damage is the air we breathe. And it is this air which is breathed in by the weakest among us, namely children! Numerous surveys have shown that it is children who suffer most.

If we want to tackle this problem in a truly responsible way — and I trust, in my optimism, that this is what we all must want — we should make it our main priority and create a sensible basis for living. It is up to us whether the world remains green or whether it is turned into a desert. I hope that we are each aware of our responsibilities and vote wisely.

**Mr Ulburghs (NI).** — (NL) I am very pleased that we have been able to have this debate on the environment. I have been actively involved for many years in both the environmental and the workers' movement. I would like to see these two important historical movements eventually work together. I am also active in the field of employment in the mining area. That does not mean to say, however, that I just accept acid rain. Employment and a clean environment should go hand in hand. I think that the EEC should strongly encourage research in these fields. Recently I came into contact with a research institute which had set up a pilot project on hydropyrolysis, which permits elements which are harmful to the environment to be removed from coal before it goes to the power stations. The harmful elements are converted into valuable carbon-based chemical raw materials. I give this example, Madam President, only to demonstrate that the concern of the workers' movement for employment and the aims of the environmental movement for clean air can go hand in hand.

**Mr Narjes, Member of the Commission.** — (DE) I am very pleased that we are now able to discuss the question of air pollution, if only within a limited context.

I should like to begin by thanking Mrs van Hemeldonck and Mrs Schleicher for their contributions. They have made it possible by the work they have done and the reports they have drawn up for a decision to be made, I hope, on these reports at least, on 6 December, since these two reports — and we should also really bear the third in mind too — have one thing in common, i.e. they concern the protection of the air against the pollution resulting from the industrialized civilization in which we all live. The Commission's proposals are not new — they merely represent a continuation of a policy which started with the first action programme and has encountered various setbacks and obstacles at the various stages of its implementation, including today, and this is why I should

like once more to describe coolly and objectively the various reasons why this debate and this policy are urgent matters. First of all, this debate and, in particular, the decisions which arise from it are important because the damage is increasing — and a lot more quickly than we had assumed four or five years ago. On the other hand, the corrective measures will take a very long time to really get off the ground since it takes time for policy to be translated into action and, furthermore, each individual investment measure has its own preparation period. Thus on the one hand the damage is increasing more and more rapidly while on the other hand the corrective measures and investments required inevitably take a long time to prepare and I persist in taking this view even if Mr Sherlock is shaking his head in disagreement. I would be pleased if he could prove me wrong.

The second point I would like to make is that the picture we have of the damage is distorted, with the result that our overall assessment of the situation might easily be off beam too. It is not only a question of damage to the flora. Aquatic creatures are also suffering, both in the rivers and lakes and in the North Sea, as emerged from the North-Sea Conference in Bremen a few weeks ago. As has been repeatedly pointed out today, damage to the soil, corrosion of buildings and the health of the human population are also involved.

However, at political level, it is the damage to the woods and the flora which is in the forefront and most clearly apparent, since we have obviously got used to our buildings turning black and falling down and no longer needing any particular attention anyway. What we are threatened with in Central Europe is the landscape turning into a barren waste as happened in the Middle Ages and in the Mediterranean region in the past. If we are to avoid this, we must take action — and in good time, since the measures required will inevitably take time to get off the ground.

However, we should nevertheless realize that this more comprehensive picture of the damage, which I have just described, means that we are all affected. Nobody is exempt — we are all affected to a greater or lesser extent. There is also a correlation between the damage in question and in the total level of emissions, which we must do something about. I would remind you that at present some 18 million t dioxide are emitted in the Community each year. This figure is probably over 50 million t for Europe as a whole. The amounts of oxides of nitrogen emitted are of the order of 9 to 10 million t and similar figures for other pollutants also demand our attention. The proportion of these substances which are transported from one Member State to another varies between 20% and 80%, which means that national measures alone are simply not enough to solve the problem, particularly in those Member States which are particularly vulnerable to this imported pollution.

Thus, we can only solve these problems if we work together. The two sources of pollution under discus-

**Narjes**

sion here today — industrial furnaces, in particular, but also motor vehicles — account for some 65% of the total sulphur dioxide pollution and 85% of the pollution by oxides of nitrogen. Both these figures illustrate the importance of the subjects this House is dealing with here today not only from the point of view of environmental policy but also in terms of public health and the economic implications.

Industrial furnaces on the one hand and motor vehicles on the other are responsible for different pollutants. Industrial furnaces are the main culprits in the case of sulphur dioxide pollution, accounting for 60% compared with 5% from motor vehicles, while it is motor vehicles who are responsible for most pollution in the form of oxides of nitrogen, with 55% as against the 30% emitted by large combustion plants. Only a comprehensive approach covering all sources of pollution is therefore likely to be successful. A piecemeal approach is not the answer.

The other reasons why this should be dealt with as a matter of urgency concern the political implications of refusing to combat the transport of pollutants over national borders, which could only be regarded as lack of solidarity by the people living in Member States which are dependent on the support of their neighbours. This is a very serious state of affairs which should be borne in mind by all concerned.

This is one of the reasons why, if I may take up the point made by Mrs Squarcialupi, the expectations of the public in the Community have never covered such a wide range as in this case, which means that opinions differ extremely widely as regards the need for action, the urgency, the form the action should take and acceptable costs. The principal task of this House should not only be to help to avoid the gap increasing between the various Member States and their public opinions, but also to take practical steps and to endeavour to find compromises which take account of all the various considerations with a view to bridging this gap. This at least, is the Commission's guiding principle. A search to find, as quickly as possible, the most sensible and defensible European compromise is the order of the day, and we look to the European Parliament to make a contribution which takes account of the entire situation.

We hope, therefore, that no one has forgotten that at their summit 15 months ago the Heads of State and Government declared this question to be a matter of urgency, so that everyone involved is now expecting them too to waste no time doing something about it.

I should like to say in connection with Mrs van Hemeldonck's report that I can go along with many of the points she made. She is quite right in pointing out that the air quality standards for nitrogen dioxide are related to the control of emissions of a secondary pollutant, since the real problem is that the nitric oxide produced by combustion processes reacts to form

nitrogen dioxide. Numerous amendments have been proposed to the motion for a resolution, some of which we can accept without more ado, for example 1(2), 2(1), 4(1), 5, 9, 17, 22, 23, 24, 26, 27 and 28. In the case of other amendments there are technical problems regarding the way in which they must be worded if they are to be practicable. I can imagine, however, that if we discuss them between now and the vote it might well be possible to make some of the other amendments proposed acceptable to us. I just wanted to make this point. For example, as regards the measurement tolerances, there is a practical point that even if the same method is used, results can vary by some 10 to 20% and consequently we cannot accept any measurement values which fail to take account of the tolerances of the measuring method and instruments used. In other cases too, similar considerations mean that we cannot accept the texts as they stand at present.

There are other points which are the subject of heated discussions among experts — for example, whether it is practicable with current technology to lay down more stringent requirements than we have proposed.

I should like to point out, however, in connection with amendments 13 and 14 that this is a point of contention which we have frequently come up against in our dealings with this House. Unfortunately, we are not able, as we see it, to adopt a different basic stance regarding adaptation to technical developments. However, I could well imagine that the new Commission could discuss the basic issues once more with this House and its Legal Affairs Committee so that we will not have this controversy to contend with every single time a technical directive is proposed.

I should also like to point out that Mrs Schleicher's report primarily concerns all new plants for which emission standards have been laid down for application throughout the Community as provided for in principle in the directive on the combating of air pollution from industrial plants, which forms the basis for these more specific directives. It also contains overall objectives for the reduction of the pollutants specified, which are emitted by all plants of this kind.

The Commission proposal is based on the principle that these objectives also call for a reduction of emissions from old plants too. As we see it, it is up to the Member States to take appropriate national measures. For practical reasons, it was not possible for us to propose different reductions for the whole range of existing plants and the deadlines we have set for the various companies to make their decisions regarding investment are therefore of great relevance.

This brings me to an important point in your motion for a resolution. As regards the overall reduction of SO<sub>2</sub>, dust and nitrogen dioxide, we take the view that the values proposed would be practicable for all Mem-

## Narjes

ber States in due course and, all things considered, represent an acceptable compromise. As we see it, the values proposed for new plants represent the maximum which could be achieved at reasonable cost with today's technology. This is also true in the case of the values stipulated for NO<sub>x</sub> and dust emissions. As we all know, however, technology does not stand still and we have more stringent limit values in mind for after 1996. Should this House wish to go still further and lay down even stricter requirements, we would be glad to look into the matter if it can be demonstrated that greater stringency would be technically feasible and economically defensible. This is also a major point of contention among experts at present and we stand by our general approach in this respect, i.e. that industry should be provided with reliable long-term data so that these measures will not take an unacceptable toll on their competitiveness.

The possibilities for exemption which we have provided for form an important part of our proposal, since unless we take sufficient account of regional or national peculiarities and economic differences from one part of our Community to another, we will hardly be able to reach swift agreement on the directive. In some cases, the degree of industrialization, the energy production methods and the amounts of pollutants emitted vary so widely from one Member State to another that some of them, which still have a substantial industrial backlog, would inevitably feel somewhat victimized if we were to try and nail them down the way they are and prevent further development. On the other hand, there is the problem of those Member States which have already made considerable efforts in the past to cut down their emissions. These efforts should be acknowledged. We are trying to establish criteria which will enable us to be fair to both sides and we intend, in particular, to take full account of the debates and decisions of this House when examining this question.

Finally, I should like to say a few words in connection with Mrs van Hemeldonck's question as to our attitude regarding the pollution coming from the Eastern Bloc. As you know, we have certain agreements with the Eastern Bloc concerning environmental questions in the context of the ECE, i.e. the Economic Commission for Europe of the United Nations in Geneva. You also know that these talks have not been broken off but rather received a certain fresh impetus some 9 months ago at the conference in Munich at which the Soviet Union undertook to reduce the emission of pollutants which find their way to the West by some 20 to 30% over a certain period. In view of climatic conditions, the quantities involved are of no great significance, but nevertheless the general principle has been established. This represents a new departure in our relations with the Eastern Bloc. In addition, certain Member States have bilateral relations with our Eastern Bloc neighbours and although these bilateral relations have not yet led to any concrete agreement over and above the undertaking entered into at the ECE in

Geneva, we are nevertheless moving in the field of international law where it is vital that both sides realize the need for measures of this kind and are prepared to conclude the necessary agreements. This is the difference between Community arrangements, where one can always appeal to the principle of solidarity, and international law, where one has to hope that the goodwill of the other partner will finally lead to the conclusion of an agreement. So much for your question regarding our relations with the Eastern Bloc. I think I could well conclude my general remarks on that point but I should like to say first of all that I can accept Amendment No 2, 2(a), 3, 4, 5, 6, 11, 19, 20 — except for the deadlines — and 23 to Mrs Schleicher's report. We must have further discussion on various other amendments since some of them concern technical aspects and questions of formulation which present obstacles to our unqualified acceptance.

**Mrs Lentz-Cornette (PPE).** — (DE) Madam President, if we look at our watches we see that we have five minutes left for our debates. Following Mr Narjes' detailed answers, I should like very much to ask all the various speakers, including myself, to finish the debate by half past five, since it has already been held up anyway as a result of this afternoon's incidents and the fact that we voted on the report on lead. I repeat, therefore, that since there is still so much to be discussed and voted on later this evening and tomorrow morning, we should, I think, conclude our joint debates on industrial furnaces and oxides of nitrogen. There will, at any rate, possibly be another debate on lead in December or January, when we will be able to deal with the other reports which are still outstanding. It would therefore be possible to vote on this report this evening without rushing things.

**President.** — Rule 86 of our Rules of Procedure reads as follows:

A debate may be closed before the list of speakers has been exhausted on a proposal from the President or at the request of the chairman of a political group or at least 10 Members.

Since I have to close this debate at 5.30 p.m., as provided for in the agenda, I would ask those Members still down to speak whether they are prepared to give up their speaking time now.

**Mrs Vittinghoff (S).** — (DE) Madam President, ladies and gentlemen, I should like first of all to thank Mr Narjes for drawing our attention once more to the damage which can result from our polluted atmosphere. He explained quite clearly, not to say dramatically, that this problem does not concern one particular country or other but the whole of Europe.

If this is true — and I believe it is — we must act more quickly than the Commission intends in its proposal

**Vittinghoff**

on lead in petrol and pollution from the exhausts of motor vehicles. I would therefore call right away on the members of this House to give us their support when we come to vote so that we will be able to introduce effective environmental protection and, above all, an overall common arrangement throughout the European Community more swiftly.

I do not intend to go into the individual amendments, but would like to make a few remarks on four objections which are repeatedly raised.

Firstly, the technical problems. In fact, there are no technical problems if we consider that — as we all know — for years now we have been exporting motor vehicles to the United States and Japan which are fitted with catalytic converters and can run on unleaded petrol. Apart from the time required for the change over, particularly the production of vehicles with smaller engines, there are no technical problems, and this is something we should bear in mind. We can read the same thing every day in the newspapers.

For example, only a few days ago Fiat announced that it would be able to fit all its models with exhaust gas purifying equipment by 1989, and intends to do so.

Secondly, the question of jobs — and I am speaking here as a trade unionist. Protection of jobs and protection of the environment are not mutually exclusive. Clean air, clean water and healthy woods are just as valuable to workers and trade unions as decent and secure jobs. Indeed, environmental protection creates and safeguards jobs, while pollution constitutes a long-term threat to life and capacity for work. We should not just sit back and listen to these arguments.

Thirdly, the man in the street who, according to Mr Alber, might well not understand or support all this. It is my firm conviction that there is a much greater willingness among our citizens to act in an environmentally aware manner than many politicians and governments would like to admit.

Fourthly, competitiveness. Here I would point out, that on the contrary, European industry has in the past tended to lag behind the United States and Japan in several areas of modern technology — indeed this is something which Europe is constantly bewailing. If this is true we should be wary of closing our eyes to developments and falling behind once more by failing to introduce these technological innovations, I am convinced that the Japanese are simply waiting for us to miss the boat once again so that they can offer their own products, which may well be cheap to boot, so that industry in Europe will fall behind yet again. It is therefore vital that we lose no time in getting down to business. Obviously, it is even more important that, for example, we introduce speed limits on all roads in Europe, particularly in the Federal Republic and I should like to make it quite clear that we are in favour of such measures. I would like to call on you all once

more to give us your support so that we can make rapid joint progress in the interest of effective environmental protection and the people of Europe.

**President.** — The joint debate will now be suspended until after the topical and urgent debate.

**6. Topical and urgent debate***Famine*

**President.** — The next item is the joint debate on the

- motion for a resolution (Doc. 2-987/84) tabled by Mr Antony and others on behalf of the Group of the European Right on the dramatic situation in Ethiopia;
- motion for a resolution (Doc. 2-988/84) tabled by Mr Stewart and others on behalf of the Socialist Group on the famine in Ethiopia;
- motion for a resolution (Doc. 2-989/84) tabled by the Liberal and Democratic Group on the famine in Ethiopia and the Sahel region of Africa;
- motion for a resolution (Doc. 2-990/84) tabled by Mr d'Ormesson on behalf of the Group of the European Right on the visit to Ethiopia by the President of the Council;
- motion for a resolution (Doc. 2-1008) tabled by Mr Staes and others on the famine in Ethiopia;
- motion for a resolution (Doc. 2-1012/84) tabled by Mr de la Malène on behalf of the Group of the European Democratic Alliance on the adoption of a Community aid programme for the Sahel region;
- motion for a resolution (Doc. 2-1015/84) tabled by Mr Christopher Jackson and Mr J. Elles on behalf of the European Democratic Group on the supply of cereals to the region of Africa afflicted by drought and famine;
- motion for a resolution (Doc. 2-1022/84) tabled by Mr Cervetti and Mr Piquet on behalf of the Communist and Allies Group on the drought in the Sahel region and the famine in Ethiopia.

**Mr Antony (DR).** — (FR) Madam President, our Group is sometimes accused of being primarily concerned about our own nationals. That is true as regards our domestic policies. However, what I am going to say on this particular subject is, if you will excuse the expression, my gut reaction.

When one hears that one million Ethiopians are likely to die before Christmas as a result of the famine in that country and, at the same time, notes that of the

**Antony**

6000 trucks available in Addis Ababa only a few hundred, if that, are being used for famine relief, one is forced to conclude that Europe must do all it can to put an end to blood-thirsty regimes like that of Colonel Mengistu, who spends huge sums of arming his country so that it can wage a civil war, and to deliver Ethiopia from the hands of this cruel dictator who is bringing shame upon his country.

That having been said, immediate action must be taken to enable Ethiopia to survive. We must stop the genocide of its people caused by the drought and by the Communist regime. For this purpose we call on the European Parliament and on the European institutions to set up a joint European relief centre staffed by civilian and military personnel. We call on the Council to forget all its differences and disagreements and to make our agricultural surpluses immediately available to Ethiopia. We also call on each country in Europe to provide that country with one or two large transport aircraft. One, ten, a hundred or a thousand distribution points must be set up throughout Ethiopia so that the people can survive. Although other factors are important, that is the prime consideration at this time.

Christian Europe, in keeping with its noblest traditions of charity and its own past, must undertake the finest crusade of all — that of helping people in need as generously as possible. We must not allow it to be said that a country which is so near us, on the other side of the Mediterranean, was left to its own fate and that, in the period before Christmas, thousands of small children waited in vain for the few olives or the handful of grain which might have enabled them to survive.

Madam President, ladies and gentlemen, we simply cannot sit back and do nothing. What Mr Pisani warned of this morning must not happen. Red tape must not be allowed to hamper our efforts. Ethiopia must be saved!

**Mr Stewart (S).** — Mr President, the British people, as every European nation, are shocked and horrified at the misery and suffering and at the deaths of thousands of men, women and children each day due to famine in Ethiopia. The leaders of the Socialist parties in West Germany, Britain, the Netherlands, Ireland, Denmark, Belgium, Italy, Luxembourg and many others have called on the Commission for the immediate release of stores of surplus grain and the delivery of those resources to Ethiopia. According to the Ethiopian Government, the minimum requirements for the next 12 months are estimated at 563 650 tonnes of grain, 46 990 tonnes of supplementary food and 13 670 tonnes of edible butter-oil.

Because of the serious water shortage, there is an urgent need for tankers to take fresh water to the stricken areas. The initiative of Willy Brandt in supporting the call for an independent commission to negotiate an agreement with the Ethiopian Govern-

ment and the Fronts to ensure the safe passage of convoys of food to the northern areas should be applauded and supported. It is estimated that there are 16 million tonnes of cereals stored within the EEC. It would be possible to provide sufficient foodstuff to the famine-stricken people of Ethiopia for some time without an appreciable depletion of EEC reserves.

This Parliament must pressurize the Member States to call for an international input into this crisis in Ethiopia and use what power it has to ensure that immediate action is taken to provide a massive relief operation. We all in this House remember the Berlin airlift. It is perfectly possible to carry out this type of operation and even to maintain it over a prolonged period. It is not a short-term problem. It is the responsibility of *all* nations, in the name of humanity, to contribute in this emergency.

During this debate thousands more people will die. The immorality of hoarding food while thousands of human beings starve to death is irrefutable. Any delay in taking action while the numbers of people stricken could increase to millions is, in my view, a culpable collusion in an act of genocide. I call on this Parliament to take the necessary steps immediately. I only hope that this operation takes place as soon as possible.

This House has a wonderful opportunity, the opportunity of 10 nations, to call for an international input into aid for Ethiopia. I honestly believe that if this House sets its mind to that, we shall be treading in the right direction, we shall be attempting to ease the famine that exists in that part of the world.

*(Applause)*

**Mr Poniatowski (L).** — *(FR)* Madam President, last year I led a mission to Ethiopia, Somalia and Djibouti which visited all the camps for people returning to their country and, in particular, the camps containing drought and famine victims.

I would just like to make three points. First, the Commission last year — and, it seems to me, this year as well — provided all the help it could. The appropriations made available are considerable and largely sufficient to deal with the problem facing us.

Secondly, it is not so much a problem of quantities as one of transport. Supplies either do not get through or are delayed. Transport by lorry and in particular, transport by fast helicopters and aircraft are the main problems here.

Finally, it is those admirable bodies, the non-governmental organizations, which can ensure that all the help provided arrives where it is most needed. While not wishing to be emotional or sentimental, what I saw on my visits was horrific and the non-governmental

**Poniatowski**

organizations show extraordinary devotion in carrying out their work. It is they who ensure that help is given where it is needed.

In addition, pressure must be exerted on the Ethiopian Government so that it allocates all its available resources, including its own funds, money from abroad and transport vehicles, to the fight against starvation. Last year, a limited number of transport vehicles, mostly military in origin, were used for this purpose. The military authorities in Ethiopia should direct their efforts towards mobilizing these resources to combat starvation in their country.

**Mr d'Ormesson (DR).** — (FR) Madam President, I tabled a motion for a resolution to express my astonishment that the President-in-Office of the Council should be going to Addis Ababa at the very time when a conference is being held in the capital of the country ruled over by Colonel Mengistu, the nature of whose regime is well-known. This OAU conference has seen the departure of the Kingdom of Morocco and the Republic of Zaïre from the organization.

I would like to point out that we are friends of Morocco, that we have a bilateral treaty with it and that the Western Sahara is the western shoulder of Africa. Through our own weakness we allowed the eastern shoulder to fall into the hands of the communists. We are not obliged to prop up the regime in Addis Ababa. Of course, we approve of any food aid sent to Ethiopia — my colleague, Bernard Antony, admirably expressed the views of our group on this matter — but a distinction must be made between aid and politics.

Our role, as supporters of the Atlantic Alliance and as part of the free world, is to use our political judgment when a conference as important as that of the OAU, which had seen the departure of the Kingdom of Morocco, is being held in the capital.

I therefore ask the Parliament to support my resolution and to call on the President-in-Office of the Council not to travel to Addis Ababa at this particular time.

**Mr Staes (ARC).** — (NL) Madam President, we have heard many fine words about solidarity, love of our fellow men and responsibility etc. Words do not cost much — in fact they sometimes appear to be alarmingly cheap. Let us therefore, as Members of Parliament join together and do something which may well be a mere drop in the ocean compared with the enormous scale of the problem, but let us at least set an example. When we see people in the smallest units of local government deciding to give up a percentage of their attendance allowance simply to make a small contribution towards alleviating the emergency, we must surely do something too. Let us dip into our own pockets for once. Our reputation is already bad

enough as far as our high salaries and allowances are concerned. Let us therefore demonstrate for once that we are prepared for a year — since this is the period proposed by the non-governmental organizations and other specialists attached to well-known bodies — to help relieve some of the misery in that area. Let us make it more than a one-off activity for a few weeks after we have been shocked into awareness horrifying television pictures. I therefore call on you to set aside 10% of your income — not your allowances, but your expenses — on a separate account, and leave it to the committee responsible for development and cooperation and the non-governmental organizations to select, implement and follow up projects. I think we have a great personal responsibility in this respect so we should not just talk about doing something but actually set an example.

**Mr Guermeur (RDE).** — (FR) The easiest thing to do in a debate of this kind is to gain unanimous support for a motion deploring a situation in which thousands of men and women are engaged every day in an agonizing struggle for survival and are dying a painful and inevitable death because they cannot obtain the handful of food which would have saved them. Since we were elected by universal suffrage, we have another duty, namely to wage war on famine and poverty and to win that war. High-flown sentiments are weapons of limited effectiveness. Effective practical steps are what matters.

Mr Pisani drew our attention this morning to the numerous obstacles which make it difficult for him to implement the decision to provide aid taken jointly by the Council and the Parliament.

If I may, I would like to make some suggestions on ways of carrying out this great act of solidarity, which should be a matter of pride for this House, and bringing it to a successful conclusion. But first I must tell Mr Pisani that I wholeheartedly join in the tribute he paid this morning to his staff. I would like them to know that the European Parliament is greatly moved by their devotion and courage in carrying out their mission.

Ladies and gentlemen, I believe that the fight against starvation is not simply a matter of finance but also one of organization and, as I said before, of effective practical measures. We cannot allow a tangled mass of rules and regulations to delay humanitarian assistance and condemn people to death just because time and energy have to be spent ensuring that the correct procedures are followed.

I therefore call on the Commission to submit a proposal to the Council of Ministers and the Parliament on the setting up of a European agency to combat starvation. It should be financed with funds from a supplementary budget and should be free to take its own decisions so that it can have the necessary flexibility and take effective action.



**Guermeur**

The Community authorities must also bear in mind that the crisis is a permanent one, even though there are periods when famine is particularly acute. The measures taken therefore have to be of a permanent nature, which is what the Commission would also like to see. This requires the establishment of a whole series of international agreements to guarantee rights of passage for aid, strategically-placed food storage areas with extraterritorial status, the right of non-governmental organizations to take action in conditions of complete immunity, and so on.

In other words, a humanitarian task force has to be set up as soon as possible. I would also like to suggest to the Council that it abandon its foolish attempt to impose budgetary discipline, condemned by this House this morning, that it put an end to the destruction of foodstuffs designed to maintain price levels, that it stop the cuts in Community food production made on the grounds that surpluses cost too much, that it halt the pillage of agricultural resources painstakingly built up by generations of families and that it allow people to enjoy the good fortune of living on fertile soil when countless thousands are condemned to die because their soil is barren.

Instead of allowing this scandalous situation to continue, we must coordinate the common agricultural policy, the development aid policy, and measures to combat starvation.

Madam President, I would like to end by suggesting that the fabulous reservoir of food resources which the sea represents for countries with exclusive maritime zones should be protected against the depredations and poaching of predators. I am thinking in particular of the Soviet fishing fleet. Developing countries must be helped to develop their fishing zones without depleting fish stocks.

Those were the points I wished to make. To conclude, in my view the fight against starvation throughout the world should be not only a way of easing our consciences but also an integral part of European economic policy.

**Mr J. Elles (ED).** — Madam President, I warmly welcome the opportunity of speaking to this joint resolution, which reflects a unity in the House on this issue which, regrettably, was not present two weeks ago. It was impossible to discuss this urgent problem because of some Members having different priorities.

I also welcome the rapid actions of the Community in the past two weeks, setting aside some 60 m ECU for emergency relief operations to Ethiopia and other Sahel countries suffering from famine and drought. I am certain that all that is humanly possible is being done by the Commission to cope with what are extremely difficult circumstances.

Mr Pisani told us this morning about the scale of the problems now facing several countries in Africa. We would like more of these reports to keep us fully in touch with the situation. I fully appreciate, of course, that in the long term the solution to their problems can only come through proper development policies. However, in the short term, we have an emergency of major and growing proportions. According to the figures given by the Commission this morning, the demand next year of five countries alone in Africa will be something like 1.7 m tonnes. While the Community cannot be expected to shoulder the consequences of this international disaster alone, it would indeed be immoral, with our overflowing stocks of grain, not to do all that is within our power to ensure that these people have what they need.

I wish to focus on one particular point. How can those African countries be given easier access to grain from the Community? I would suggest to the Commissioner that a special tender be introduced on a weekly basis to allow countries to have continuous access during 1985 to grain from intervention stocks at preferential prices. This preference could be provided either through higher export refunds or credit from the development budget, or indeed both.

We all know that there is flexibility in the cereals budget. The quantities involved are not large compared to a harvest in the Community of about 15 m tonnes higher than in any previous year of our history. Nor would international trading rules in GATT impede such sales to developing countries. This would be possible within the existing framework of our regulations. Such a gesture would be very welcome to all those in Britain who cannot understand why people are dying from starvation in Africa while our grain stocks are increasing day by day.

**Mr Vergès (COM).** — (FR) Madam President, the large number of resolutions tabled, including that of the Communist and Allies Group, shows the extent to which public opinion in Europe has been moved by the dramatic crisis now facing Africa in general and the Sahel countries and Ethiopia in particular.

The existence of a joint compromise text is, I trust, the sign of a desire to express the wishes of all members of this House in the face of this tragedy. The report which Mr Pisani delivered this morning and the answers he gave at Question Time have given us a clear picture of the main aspects of the present situation: the delays in taking and implementing decisions, the full range of the steps being taken by the Commission, the breathing space of a few months which has been obtained, and Mr Pisani's proposals regarding the setting up of an emergency relief centre to coordinate national and Community measures in Europe in liaison with each of the countries at risk.

We hope that steps of this kind will allow not only the present emergency but also future ones to be dealt

## Vergès

with more promptly because there will, unfortunately, be others. We need to realize that certain factors are permanent, over and above accidents of climate. However much is done to set up a system to deal with the emergency and however long efforts to obtain sufficient food supplies may last, the following basic facts of underdevelopment will remain: an African economy paralysed by the cultivation of single crops for export, a downward trend in the price of raw materials, an overwhelming debt burden and a relentless growth in the population. Africa had 220 million inhabitants in 1950. Now, 35 years later, it has 470 million — an increase of 250 million — and will have around 900 million in 15 years' time. That is equivalent to an increase of over 25 million a year or over 2 million per month, so we are really engaged in a race against time. We must address ourselves to this problem because it requires a fundamental change of attitude in Europe if we are to plan structural reform and devise a policy able to meet the challenge facing us all, both in Africa and Europe.

**Mr Baget Bozzo (S).** — *(IT)* Madam President, I would like to repeat some of the points just made. The problem of famine in Africa is not a sudden unexpected occurrence; it is a permanent fact. There will be 900 million inhabitants in Africa at the end of this century, and of these about 127 million will not have enough to eat.

The population in Africa is growing at a rate of 3% a year, much faster than in other parts of the Third World. At the same time, Africa's resources are being depleted. The 'green revolution' which took place in India has not occurred in Africa. In 1950 Africa was self-sufficient, but now production has gone down by 10 or 20%.

This huge continent, now linked to the European Community by the Lomé Convention, faces a mounting and permanent famine problem. In these circumstances, it is not surprising that you get violence and violent regimes of various ideologies.

In view of what has been said, certain questions arise. Who, in Europe, can deal with this problem? The Community, with its limited economic resources, or individual countries? Is it a problem for Europe alone or for all Western countries?

The problems facing us, which are highlighted by the Ethiopian situation, are permanent ones, and I support the proposal just made to set up a permanent monitoring body.

I wonder how Europe is going to cope over the next 20 years with a starving continent on the other side of the Mediterranean. How should we respond? Will there be an exodus from Africa, as in the case of Morocco, which as we have seen is now knocking on the door of the European Community? How will we be

able to survive in these circumstances? What steps must we take?

The non-governmental organizations have functioned well despite the extraordinary difficulties mentioned by Mr Poniowski and others in bringing aid to those in need. However, their efforts are not sufficient; other, much wider measures must be taken. I believe that we must regard what is happening in Ethiopia as a sign or warning, and that we must look at the situation in a much wider perspective than that adopted so far.

## IN THE CHAIR: MR ALBER

*Vice-President*

**Mr Verger (PPE).** — *(NL)* Mr President, thanks to the modern communication media, the entire world is currently involved in one of the greatest catastrophes of our time — the famine in Africa, particularly Ethiopia and the other Sahel countries. It has become apparent once more that famine must first be widely publicized before large-scale aid programmes get under way. The famine in Cambodia in 1979, which appeared to be a threat to the survival of the Cambodian people, was another example.

The reports on the famine in Ethiopia and the other regions in that part of the world are nothing new. Similar reports reached us as far back as 1974 and we know that Ethiopia is one of the victims of the drought with which that area has been stricken for many years now. On top of this, the hardest-hit areas have also been suffering the ravages of a civil war for several years.

The Commissioner responsible has informed this Parliament today on the current state of affairs. We very much welcome the fact that the Member States of the European Community intend to react to the emergency more quickly and more efficiently and to aim for improved coordination. We should like to stress that while food aid is essential, it is nevertheless no real solution. What we must do is extend the new food strategies in consultation with the developing countries.

This morning, Mr Pisani quite understandably mentioned the bureaucracy we have to contend with in our own institutions when we wish to provide aid. However, what about the bureaucracy in the recipient countries? Is it true that the main problem is no longer transport, but rather the distribution of the food aid provided, and that the bureaucracy in the areas concerned tends to represent a considerable obstacle to effective distribution?

I should like to repeat, Mr President, that my Group gives its wholehearted support to the Commission's

**Verger**

efforts to combat the famine in these areas. Emergency aid, particularly food aid, should never be made conditional upon political considerations. In other words, the government must not take political advantage of the sufferings of the population. At all events, aid must be as efficient as possible, but nevertheless under the control of the European Community wherever necessary, without coming up against the opposition of the national government.

We share the Commission's view that this is not a temporary state of affairs in the area in question but that it will probably become even more serious in the first half of 1985. The Community's policy should take account of this.

Mr President, I should like finally to make a personal observation. I find it hypocritical that the Commission should have been refused discharge yesterday in connection with food aid, among other things, while this morning it was loudly applauded by this Parliament for various things including this policy.

**Mr Christopher Jackson (ED).** — Mr President, the essence of the crisis which has stirred the conscience of people right across Europe is simple: two years of drought have been followed by a third. Indeed, a crisis has become a catastrophe. Both the Ethiopian Government and the international community, as we see all too clearly in retrospect, did too little too late to stop massive suffering. Of course, we were all glad to hear this morning from the Commissioner that prospects are better than they were.

Mr President, what more do we want? We want guaranteed supplies of food sufficient for the need. Thank goodness that the European Community has ample supplies of grain! We want these supplies provided on an international basis. We want the European Community, and its Member States, to work as part of a team within the United Nations framework. It gives us some satisfaction that up to October this year the total of food aid provided by the European Community exceeded the total supplied by all other international donors put together. I have been horrified to hear of red tape on the part of national governments holding up the Commission's efforts to get emergency aid out. It is atrocious that the result of the same nationalism which is the curse of the Community should interrupt our emergency humanitarian operations.

I call on the Council of Ministers, here and now, to give automatic approval, in advance, for the emergency food aid required during the period of this famine, and to conduct an urgent review of Council procedures so that the accusation that red tape has cost human lives may never again be levelled against the Council.

Mr President, it is a sad fact that crises such as these can have beneficial side-effects by making us better

prepared for the future, for there are two futures for which we must prepare. First, as the Commissioner said today, we must establish international procedures for famine warning. No large-scale famine should come as a surprise: the signs can be read months, if not years, in advance. We must find some way to have emergency stores in developing countries and all our emergency procedures ready to be put smoothly into operation if necessary. We have been reminded that other African countries will demand our attention in the coming months and in the coming years. We must not fail them.

The second future for which we must prepare is to increase local food supplies in Africa. It is a sad fact that many countries' agricultural strategies have been a disaster. With the technology, the skills and the cash that are pouring into African countries, we, and they, must do better in encouraging rural development and agricultural production. This task must have top priority in the new Lomé Convention, and I propose that, as often happens in Asian countries, we should get the World Bank to act as coordinating donor for African countries.

Mr President, of course we must relieve famine today, but tomorrow we must banish famine from the face of the earth.

*(Applause from the European Democratic Group)*

**Mr Maher (L).** — Mr President, one thing we ought to remind ourselves of in the face of this horrific situation in Ethiopia, and indeed other areas of Africa, is that, thanks be to God, at least we have the capacity to be of some help.

If we did not have some extra food production within the European Community, then our expressions of sympathy would be absolutely useless. It would be little good giving these unfortunate people money. There are people in this House who have often spoken about the scandal of the surpluses in the European Community and others who have said that the CAP was the terminal cancer of the EEC. Could I remind them that without that same CAP there would in fact be no surplus? What they wanted was a balance between supply and demand within this Community.

Furthermore, we have to look to the European Community, not only in the short term but also even in the long term, for supplies for many parts of Africa. Regardless of what we may do in the short, medium or even long term — and I agree with doing everything possible to help these people to be more self-sufficient in food supplies — they happen to live in a part of the world where the climate is unreliable and where they can have droughts at one time and too much rain at another. They cannot rely on enough food from their own resources. We have to be sure that we have stocks of food ready to supply them when they need it.

**Maher**

That brings me to my point. What we need to do with the CAP is to build into it a Third World dimension, in other words, planning to have certain surpluses of the right kind available to give to people who need them. I agree entirely that an early warning system is very essential. However, it must also be said that member governments lack the will to act in time. We knew about Ethiopia some years ago. We knew there was a problem, but governments were not prepared to act until the television crews went in. I compliment the television crews, the BBC and others, who went to these countries and showed us exactly what was going on and thus galvanized the populations to force the governments to do something.

If we had a permanent feedback of information from these places to show us what is happening, then maybe we would be able to get more movement from governments.

*(Applause)*

**Mr Kuijpers (ARC).** — *(NL)* Mr President, ladies and gentlemen, I should like to make five points in connection with this problem. Firstly, we have been familiar with all the structural aspects of the Sahel famine problem since as long ago as the end of the 1970s. What have we done about it? Secondly, Ethiopia has 1 000 km of good coastline with neighbouring ports such as Djibouti and Port Sudan as well as its own ports of Massawa and Assab with a capacity of 100 000 t per month. There are excellent roads connecting the Red Sea with Khartoum and Addis Ababa. These roads can stand comparison with other transport routes in Africa, so what is all this about transport problems? Thirdly, a number of these drought-stricken countries have for years now — indeed a quarter of a century in some cases, such as Ethiopia — been indulging in warfare and oppressing their populations. These countries include Chad and Mauritania. Fourthly, they reject the proposal for an independent control and distribution committee — the so-called Brandt committee — and fifthly, I should like to return to the question of food surpluses. The Ethiopian embassy is at present flogging itself to death trying to find 50 000 t of cheap wheat or other cereal on the markets, but GATT is getting in the way.

In a word, it is not enough to stand here and talk. Firstly, we must get a peace policy into action in the areas in question; secondly, a structural solution must be found to the problem of water supply; thirdly, there is a problem of food storage and fourthly, we must find a way of overcoming the bureaucracy. Only then can we solve the problem.

**Mr Ulburghs (NI).** — *(NL)* Mr President, I should like to draw your attention to a number of contributory factors to these natural disasters — such as deforestation, which in Africa is assuming the proportions

of a natural disaster in itself, over-grazing and monocultures which fundamentally upset the ecological balance and result in some African countries exporting food to Europe — for example, meat from Ethiopia, cocoa from Ghana or cotton and other products from Chad.

It is important to have an agricultural policy which takes account of the ecological balance and such a policy must include reafforestation programmes. Israel has succeeded in cultivating the Negev desert. Why cannot something similar be done in the dry areas of Africa? Why cannot they promote a small-scale agricultural policy based on real needs and the principle of self-sufficiency, rather than large-scale monocultures? This sort of thing is a boost to any people's sense of responsibility.

Another important point is that Europe should, as Mr Kuijpers has already said, promote a peacetime economy in Africa, since a large proportion of European exports consist of armaments. African countries currently faced with drought and famine, such as Ethiopia and Chad, devote an increasing proportion of their budgets to arms purchases. The crisis unit which Mr Pisani mentioned this morning could first of all identify the centres of conflicts in good time and draw attention to the sources of injustice as swiftly as possible so that Europe might be able to act as a mediator. Without wishing to make this a precondition for the granting of aid, we would nevertheless like to press for peace negotiations in, for instance, Ethiopia, Chad and Morocco.

Finally, Mr President, this crisis unit could promote cooperation between basic groups in Europe and the Sahel countries with a view to bringing about awareness, solidarity and effective cooperation, above all with the NGOs. I go along with Mr Staes' proposal to donate 10% of our incomes — in fact I am already doing this. I call on my colleagues to put their signatures to this declaration which I submitted yesterday together with Mr Van Miert.

**Mr Richard, Member of the Commission.** — Mr President, may I say right at the outset that I do not think that it is necessary for the Commission to make a long intervention in this debate. This morning Mr Pisani spoke in considerable detail about many of the issues raised this afternoon, and I really do not think that repetition will add very much to the points that we made. May I, however, take one or two of the issues raised this afternoon and say a few brief words about them?

First of all, I hope it is perfectly clear, particularly after this morning's debate, that the Commission fully shares the concern expressed by Parliament at the disastrous situation in which millions of people in Africa — not only in Ethiopia but in other countries in Africa — now find themselves. As regards the first paragraph

**Richard**

of the resolution, the Commission has already mobilized additional resources to meet the immediate food aid requirements, using part of the 32 m ECU appropriation recently allocated. The Commission is examining with Member States how further resources can be mobilized. May I say that the mechanism proposed by Mr Elles this afternoon was an interesting one which I am sure the Commission would wish to examine in detail.

As Mr Pisani pointed out this morning, the establishment of reserve stocks in the countries affected presents a whole range of problems, such as the setting up of an automatic system for replenishing these stocks and ensuring that they are available for operations in neighbouring countries, as well as the creating of additional storage facilities. These are problems, and they are clearly problems which have to be examined jointly by the recipient and by the donor countries. What I can say on behalf of the Commission is that the examination that we will be giving to these problems will be urgent, and we hope that the results will be obvious in a reasonably short period of time.

The Commission considers that cut-price Community cereals at low prices should be made available to countries hit by crises such as the present one. This would be an admirable solution, were it not for some of the budgetary difficulties Mr Pisani explained this morning and also some of the rules applicable in international trade. If the budget difficulties could be resolved, the Commission would make the necessary approaches in consultation with the Community Member States that are party to GATT so that the rules might be waived.

I took Mr Maher's point that the development aspect of the common agricultural policy is indeed something which should be examined and perhaps built in to the framework of the Community's policy on agriculture.

This coordination with the Member States, Mr President, has now been instituted. The Commission thinks that it should and could be taken further by setting up a crisis unit which would detect potential disasters sufficiently far in advance. It could then decide on the measures to be taken by all parties to ensure that the efforts of the Community and of the Community Member States attain maximum efficiency. It is also essential, in the Commission's view, to continue the coordination already underway with other donors, notably the United States and Canada.

Finally, Mr President, the Commission is anxious to keep Parliament regularly informed on these matters. As Mr Pisani promised this morning, a system would be set up within the Commission to deal speedily with Members' questions not answered this morning, and also indeed with any further questions put to the Commission concerning the present famine in the African countries.

**President.** — The debate is closed.

*(Parliament adopted Amendment No 1 rev.,<sup>1</sup> which replaced the eight motions for resolutions)*

**Mr d'Ormesson (DR).** — (FR) Mr President, we were shocked to hear that our motions for resolutions on the famine in Ethiopia and the murder of Father Popieluszko had not been included in the joint motion. An obvious political manoeuvre.

Consequently we shall not take part in the vote. As for my motion for a resolution, I do not want it to be put to the vote. I have too much respect for the causes I support to allow it to become the object of objections. My commitment in this matter is a political commitment on behalf of the free world against the communist world!

**President.** — It will be recorded in the Minutes.

**Mr Staes (ARC).** — (NL) I should just like to ask for a separate vote on my motion for the simple reason that its substance is not included in the joint text.

**President.** — We shall vote in the way you request.

*(Parliament rejected the motion for a resolution)*

**Mr Stewart (S).** — On a point of order Mr President. I should just like it to be known — because, obviously I cannot now vote against a motion for a resolution on Ethiopia which has already been voted on — that I have just received the joint amendment and I am rather concerned about this. I obviously cannot alter it at this stage, but I hope that in future the mover of a resolution is fully consulted before any deals are made.

**President.** — This question is closed. The compromise motion was tabled in time, and the vote has been taken.

We must now begin with the joint debate on Poland...

**Mr Almirante (DR).** — (IT) Mr President, ladies and gentlemen, I must associate myself with the protest made just now by Mr d'Ormesson, but I am referring not to the subject which you, rightly, considered

<sup>1</sup> Tabled by Mr Fellermaier on behalf of the Socialist Group, Mrs Rabbethge on behalf of the PPE Group, Mr Christopher Jackson and Mr J. Elles on behalf of the ED Group, Mr Trivelli and Mr Wurtz on behalf of the Communist and Allies Group, Mr Poniatowski on behalf of the Liberal and Democratic Group, and Mr de la Malène on behalf of the RDE Group.

**Almirante**

closed, but to the one you have just introduced when opening the debate on the motions on the very serious events which have occurred in Poland, more particularly the murder of Father Popieluszko.

I must reiterate what Mr d'Ormesson said for another reason, and I must express more than my indignation...

**President.** — Mr Almirante, we have not started the debate on Poland yet, and the rest will be recorded in the Minutes. Mr d'Ormesson has already said it.

**Poland**

**President.** — The next item is the joint debate on the following motions for resolutions:

- motion for a resolution (Doc. 2-994/84) tabled by Mr Tognoli and others on behalf of the Socialist Group on the murder of Father Popieluszko;
- motion for a resolution (Doc. 2-995/84) tabled by the Liberal and Democratic Group on the murder of the priest Jerzy Popieluszko;
- motion for a resolution (Doc. 2-996/84) by Mr Coste-Floret on behalf of the Group of the European Democratic Alliance on the murder of Father Popieluszko;
- motion for a resolution (Doc. 2-997/84) by Mrs Fontaine and others on behalf of the Group of the European People's Party on the murder of Father Popieluszko;
- motion for a resolution (Doc. 2-1002/84) by Mr Romualdi and others on the murder of Father Popieluszko.

**Mr Pelikan (S).** — (IT) Mr President, we are having to address ourselves again to what is going on in Poland, because the tension in Poland is bound to have repercussions on the situation in Europe as a whole.

The horrendous crime perpetrated by state security agents in brutally assassinating Father Popieluszko would have unleashed a popular uprising if it had not been for the wisdom of the Church and the Solidarity leader, Lech Walesa, in appealing for calm and unity.

That does not mean to say, though, that this crime — following on from the torture and assassination of a Polish student — must be tolerated and forgotten in the interests of 'public order'.

On the contrary, the demonstrations which have occurred in Poland in the wake of the assassination of Father Popieluszko — the most impressive since the

military *coup* of December 1981 — have shown that the Polish people will not be discouraged and will insist on their government imposing the severest penalties on Father Popieluszko's killers and those behind the crime — who will now have to be sought and found out — as well as an end to the repression and the campaign of intimidation and hate directed against those who remain true to Solidarity's ideals.

And let us not forget, Mr President, that it was precisely this campaign of hate, directed at the priests who are the mouthpiece of the people, and in particular Father Popieluszko, and launched by the government spokesman himself — sheltering behind a pseudonym — which first created the kind of atmosphere in which this crime could be planned.

The worrying thing is that the government spokesman himself had accused Lech Walesa's own father-confessor and the parish priest of the Gdansk shipyard of collusion with *revanchist* Germans.

What the Polish people want is for the government to return to a constructive dialogue with Lech Walesa and Solidarity — which represents a large part of the people of Poland — with a view to official recognition of trade union pluralism as expressed in the Gdansk agreement and in accordance with the wishes of the great majority of the people of Poland.

Unless there is this political solution to the Polish crisis, calm will not be restored in Poland — nor, for that matter, in Europe.

Our motion for a resolution is intended not only to pay homage to the courage of Father Popieluszko, but also to place on record the fact that, in this struggle for freedom, the people of Poland do not stand alone. Poland is part of Europe, and there can be no true peace in Europe unless there is freedom in Poland.

(Loud applause)

**Mr Beyer de Ryke (L).** — (FR) Mr President, ladies and gentlemen, horrible events which suddenly disrupt our everyday lives are the essence of tragedy. When it was announced that Father Popieluszko had been murdered, I remembered the stories of saints' lives which we took a strange pleasure in reading when we were young. The saints' sufferings were then so remote in time and were illustrated by such idealized drawings that the effect they had on us was never very profound.

When news of the murder came out, I was reminded of the wonderful lines by Gertrude von Lefort in which Blanche de la Force, overcoming her fear, mounts the scaffold singing the 'Salve Regina'.

We now see that the over-meticulous illustrations in the stories of the saints' lives, the selected passages

**Beyer de Ryke**

from which George Bernanos drew his *Dialogue des Carmélites* and current events all bear witness to the fact that martyrs are our contemporaries. Father Popieluszko is the martyr of a martyred nation.

All the resolutions tabled in this house can therefore be condensed very simply and succinctly into a few words: long live Poland! As for Father Popieluszko, in the words of a song by George Brassens, 'que Dieu l'emporte à travers ciel'.

*(Applause from the centre and the right)*

**Mr Coste-Floret (RDE).** — *(FR)* Mr President, ladies and gentlemen, I would first like to say how gratifying it is to see the wide measure of agreement reached in this House on a motion for a compromise resolution condemning the torture and murder of Father Popieluszko. However, I would like to focus on the two main ideas behind the motion which I drew up and signed on behalf of the Group of the European Democratic Alliance.

Firstly, Father Popieluszko's murder represents a violation of human rights in Poland and human rights must be defended whenever they come under attack. I condemn such violations whether they occur in Turkey, the Soviet Union, Chile or Poland because what is important here is not the philosophical, religious or political views of the victim but the fact that an individual's dignity as a human being has been abused and his fundamental rights violated.

The second main idea behind the motion for a resolution is that although the Polish Government has arrested the culprits and condemned the crime it cannot deny its share of the responsibility for what happened. The facts speak for themselves. It was the Minister for the Interior himself, in full dress uniform, who appeared on television to announce that those responsible were three employees of the Ministry of the Interior and that it was a police officer who had killed Father Popieluszko with his own hands. All those who have since been arrested are military or civilian officials in the security branch or the police. The Polish Government is therefore responsible for not having sufficient authority over the officials concerned to prevent the murder and in any truly democratic country would have been forced to admit its responsibility before Parliament.

To conclude, I think it right that the European Parliament should express its views in a motion for a resolution which has received very wide support. I would just like to add that the restoration of human rights in Poland and elsewhere depends not only on resolute action but also on making clear where we stand.

*(Applause)*

**Mrs Fontaine (PPE).** — *(FR)* Mr President, ladies and gentlemen, this is the first time that I have had the

honour of speaking at a plenary sitting of this House and I am particularly moved that it should be on a subject as tragic as the murder of Father Popieluszko.

As soon as his murder was announced, the Political Affairs Committee reacted immediately by adopting a very firm statement and I am pleased to note that the various groups in this House have today decided to go one step further and submit a resolution for adoption by our Parliament. Barbarity has no place in any human society. Father Popieluszko was kidnapped then shamefully tortured, murdered and thrown into a river because he was a symbol — a symbol of a nation demanding with equal passion freedom and national independence.

No matter what political groups we belong to when we express our beliefs, there are situations where Europe, with its 300 million men and women, must speak with a single determined voice. Political assassination diminishes the human race. It is a threat to peace, as history has often shown. It is becoming dangerously common throughout the world; we have just seen another tragic instance of it in India.

Today it is the Polish tragedy which particularly concerns us, for several reasons. The European Parliament must condemn this unspeakable crime, express its indignation and give its moral support to the Polish people, since the circumstances surrounding the murder are still confused despite the official statements made by representatives of the Polish Government, and it is essential that the whole truth be known. The fact is that the suppression of freedom, in whatever country it occurs, inevitably provokes and even encourages such excesses. Governments cannot escape their responsibility simply by condemning these crimes after the event and arresting some of the culprits since the crimes themselves stem from the tensions which governments help to create.

The murder of Father Popieluszko, which aroused such strong feelings in our countries, is an obvious and indisputable crime. However, even worse things are happening. We now know that since Father Popieluszko's murder hardly a day goes by in Poland when priests sympathetic to the Solidarity movement are not violently attacked by government spokesmen. We therefore have every reason to fear that Father Popieluszko's murder is really only the prelude to a general and orchestrated campaign of persecution.

*(The President asked the speaker to conclude)*

I would like to end by saying that I hope we will give wide support to a demand that human rights and democratic freedoms in Poland be respected.

*(Applause from the centre and the right)*

**Mr Almirante (DR).** — *(IT)* Mr President, ladies and gentlemen, I would like to apologize — especially to

**Almirante**

you, Mr President — for the interruption a few minutes ago. I simply wanted to protest against the fact that our Group had not been asked, during the consultations between the various groups which fortunately took place, to add its signature to the amended text. We would undoubtedly have done so had we been asked. In saying this, I am speaking for the first time on behalf of the Group of the European Right and would like to take this opportunity of thanking our French colleagues and our Greek colleague for enabling us to form a single group. I am particularly pleased to say this when talking about Poland, which I do not only as a man of the Right and as someone who is proud to call himself an opponent of Communism, but as an ordinary citizen.

The present subject has been discussed at length — and we certainly have no objection to that although Mr d'Ormesson was quite right to make the same point as I did — as have the problems of world famine. However, speaking as a European and a good Italian but, above all, as an ordinary citizen, I believe that there is more hunger in this world for justice, freedom and, above all, a secure life for ourselves and our loved ones than hunger caused by lack of food.

We must uphold European ideals and address ourselves to European realities and needs: the real Europe, a Europe beset by anxiety and suffering which needs our help, is not on this side of the Berlin Wall but on the other.

I condemn the crimes committed in the part of Europe I have just mentioned. We are proud to be the authors of a motion for a resolution and totally share the views expressed in the amendment which has been submitted. However, we protest against the fact that we were not allowed to vote on it. In so doing, we are showing our commitment to Europe, our solidarity with the Polish people and our indignation as Europeans, Catholics and free men about what has happened and, unfortunately, is still happening in Poland.

*(Applause from the centre and the right)*

**Mr Plaskovitis (S).** — *(GR)* Mr President, the Greek socialists in Pasok share the House's sense of sorrow and indignation at the murder of the Polish priest and champion of freedom. Unfortunately, brutal political assassinations and crimes take place today throughout the world and we should not forget that they also occur in the countries of the so-called Western world. Consequently, we would have no reason not to vote for the joint motion for a resolution, if its wording in certain points at least did not engender serious reservations both as regards its objectivity and its tone. I will explain myself: the Polish Government is condemned almost directly as guilty of the assassination, although it is known to have discovered and arrested the criminals in its midst; in addition, the resolution, in an imperative tone, instructs the government how to

exercise its domestic policy, tells it who it should work with and how it should defend the national independence of Poland.

Dear colleagues, I think that we are going too far. The resolution is extremely unrealistic, at least in view of the present world situation, and I even doubt whether it can be reconciled with the stance which certain sections of this Parliament adopted in respect of regimes which are supposed to belong to the same political and social system as their own and which, nevertheless, are still free to execute men and to liquidate entire nationalities. Of course I mean Turkey. I mean the way in which the crimes which have been committed in this country during the past four years have been hushed up. For all these reasons we will abstain from voting.

**Mr Prag (ED).** — Mr President, some believe that world wars occur through the evil intentions of the great powers. There may be, in fact, a greater danger of war occurring through some crazy chain of absurd and improper actions such as those which followed the murder of Archduke Ferdinand at Sarajevo in 1914.

Our hope must be that disastrous results will not spring from the disgraceful and evil murder of Father Popieluszko. Fortunately, the Soviet Union has not repeated in Poland the bloody suppression which followed the Hungarian uprising of 1956, culminating in the murder of the Hungarian Prime Minister, Imre Nagy, after it had invited him to Moscow. It has not marched into Warsaw as it marched into Prague in 1968, but then, of course, it did not have to — its troops are already there! Yet we all know that Poland's precarious semi-independence hangs by a thread, a thread which could so easily be broken by just such an event as the murder of Father Popieluszko.

This evil crime is a tragedy for Poland and, indeed, for all those who seek national reconciliation within Poland. Our role must surely be to avoid inflaming the situation and to urge the people of Poland to continue to keep a strict rein on their natural and understandable anger. The Polish Government, for its part, must pursue its investigations relentlessly and bring to justice not only those who actually committed this vile and foolish crime — and who have been arrested — but all who have taken part in instigating it. At the same time, if reconciliation is ever to take place between the Polish authorities and the people of Poland, then the government must surely resume the dialogue with Solidarność.

My group, Mr President, strongly supports the joint resolution. The Polish people have suffered much in their heroic history; we would not wish this foul murder to usher in a new period of greater suffering.

**Mr Segre (COM).** — *(IT)* Mr President, the tribute which we are paying today to Father Popieluszko,



## Segre

whose memory is dear not only to Catholics and the Polish people but to all those in the world who believe in democracy as a universal value and who fight for the respect, everywhere, of human dignity and for what has been defined as plenary humanism, also has a clear political message. It is a demonstration of our conviction that the crisis in Poland, a crisis which we can trace back through a history of this nation which has been at once tragic and exciting, can only hope to find a sound basis for settlement through an open dialogue unvolving all sectors of society. If there is one society which is pluralistic, it is Poland. Any attempt to force unification can only cause new and serious troubles.

We hope that eventually historical and political wisdom will prevail: a wisdom of which the different sectors of Polish society gave so much proof in the days following a terrible murder which each and every one of us condemns. The death of Father Popieluszko should and can serve at least to do this, to help to open up a new way, the only one which can lead Poland to a more secure and peaceful future.

Mr President, may I just say, in view of the time, that it would be a pity if tonight again, as happened at the last sitting, we did not manage to discuss Chile, another problem which is very much to the forefront of our minds.

*(Loud applause)*

**Mr van der Lek (ARC).** — *(NL)* Mr President, we share the indignation at the dastardly murder in Poland of Father Popieluszko and feel that the government of that country has a great deal on its conscience and is under an obligation to get to the bottom of the matter, without respecting persons, and make it impossible for such a thing to happen again. We are also aware of the tragic situation of the people of Poland. As Mr Pelikan rightly pointed out, it is partly thanks to the worthy actions of Solidarność and the appeals made by Walesa and others that the people have shown such self-control in their reaction to this outrage. The struggle for freedom of the trade unions and democracy by Solidarność is deserving of the admiration and support of every one of us.

It is noteworthy, however, that many people in this Parliament who repeatedly defend the freedom of the trade unions outside the Community are not so keen on the idea on their home ground when, for instance, it is the British miners who are defending the freedom of their unions and their inalienable rights. What applies elsewhere would not appear to apply at home — and we find this a little disturbing.

Secondly, we obviously find it very important that we in this Parliament should concern ourselves with violations of human rights and threats to freedom throughout the world and we therefore regard both this reso-

lution and the resolution on Chile as important documents. However, it would appear that we were forgetting that it is just as much a matter for our concern if human rights are threatened in the countries of the Community; since in this case our countries themselves are responsible. We find it disgraceful that the horrible murders of a number of foreigners which took place in France last week and the increasing hostility to foreigners which these murders reflect and which certain groups and parties in these countries continue to encourage should not figure on our agenda.

This increase in racism and intolerance in the countries of Western Europe is extremely disturbing and is something to which we must pay considerable attention in the future.

**Mr Alavanos (COM).** — *(GR)* Mr President, the representatives of the Communist Party of Greece cannot but severely condemn such actions as the assassination of Father Popieluszko. However, we categorically reject the political conclusions which some people are trying to draw from this occurrence. In the minute at my disposal I would like to make the following points.

Firstly, the authorities discovered and arrested the culprits. This is something which does not often happen in Italy or in other Community Member States.

Secondly, the authorities proceeded to make far-reaching changes and adopt radical measures at the root of the evil, something which hardly any country of the Community does in similar circumstances.

Thirdly, the authorities did not profit from Popieluszko's assassination — the only ones to gain are those forces within Poland which are attempting to undermine peace in Europe.

With this in mind I also call on you not to exploit Popieluszko's assassination. Let his soul go to his God, as Mr Beyer de Ryke has already said.

**Mr Richard, Member of the Commission.** — Mr President, I do not think this is a matter upon which the Commission should say a great deal. Perhaps I can only say on behalf of the Commission that I have listened to what the House has said, to the degree of unanimity in the views expressed, and that the Commission shares those views.

**President.** — The debate is closed.

*(Parliament adopted Amendment No 1 rev.,<sup>1</sup> which replaced the five motions for resolutions)*

<sup>1</sup> Tabled by Mr Tognoli and Mr Hänsch on behalf of the Socialist Group, Mrs Fontaine on behalf of the Group of the European People's Party, Mr Prag on behalf of the European Democratic Group, Mr Gawronski on behalf of the Liberal and Democratic Group, Mr Trivelli and Mr Segre, and Mrs Anglade on behalf of the Group of the European Democratic Alliance.

**Mr Alavanos (COM).** — (GR) Mr President, you should have called me to speak before the vote so that I could tell you that, perhaps without your knowledge, there was a technical error and that the amendment referred to as having been tabled on behalf of the Communist Group was tabled by Mr Trivelli and Mr Segre.

### *Chile*

**President.** — The next item is the debate on the

- motion for a resolution (Doc. 2-1000/84) tabled by Mr Glinne and others on behalf of the Socialist Group on the situation in Chile;
- motion for a resolution (Doc. 2-1021/84) tabled by Mr Cervetti and others on behalf of the Communist and Allies Group on the situation in Chile.

**Mrs Wieczorek-Zeul (S).** — (DE) Mr President, I would propose on a point of order that as regards the debate on Chile we should only call the amendment and vote on it immediately, so that we have a decision by Parliament on the dramatic situation in Chile.

**President.** — That is what I would have said if a President had allowed *me* to speak.

*(Laughter)*

**Mrs Cassanmagnago Cerretti (PPE).** — (IT) Mr President, is it allowed under the Rules of Procedure to give an explanation of vote once voting has taken place?

**President.** — I am afraid that is not possible, Mrs Cassanmagnago Cerretti.

**Mr Lalor (RDE).** — Mr President, I am anxious to ensure that you take the Fitzgerald resolution immediately after, without any discussion.

*(Parliament agreed to the proposal by Mrs Wieczorek-Zeul and adopted Amendment No 1 rev.,<sup>1</sup> which replaced the two motions for resolutions)*

### *Shipbuilding*

**President.** — The next item is the debate on the motion for a resolution (Doc. 2-999/84) tabled by Mr

Fitzgerald and others on behalf of the Group of the European Democratic Alliance on measures to prevent the closure of the only shipbuilding yard in Ireland — Verolme in Cork.

**Ms Quin (S).** — On a point of order, Mr President, I feel that the Fitzgerald motion raises many issues which I would be unhappy to vote on unless there was a debate. The title of the motion for a resolution is about the closure of the shipyard in Cork, but most of the text of the resolution is about the enlargement negotiations as they concern fisheries. Many important issues are raised, and I certainly would be unhappy, as a speaker down to speak on this item, if we just voted on it without a debate.

**President.** — Mr Fitzgerald wanted to request a vote without debate.

**Mr Fitzgerald (RDE).** — It seems, Mr President, if I am right, that my options are very limited. If I speak I exhaust what time is left, yet I believe that I can put a case to this House that would have the support of Ms Quin and others who perhaps are doubtful now.

Can I ask you, as a new Member of this House, if it is possible to have this debate, for example, tomorrow morning? If not, why not? . . .

Obviously, then, the only choice left to me, unless I can have speaking time, is to have the motion for a resolution put to the House.

*(Parliament rejected Mr Fitzgerald's proposal)*

**President.** — The topical and urgent debate is closed since the time allocated to it has elapsed.

### *7. Environment (continuation)*

**President.** — The next item is the joint debate on environmental problems.

**Mr Mertens (PPE).** — (DE) Mr President, ladies and gentlemen, I should like to begin by stressing once more that the Group of the European People's Party, on behalf of which I am speaking on Mrs Van Hemeldonck's report, has always consistently given priority to the combating of air pollution as far as at all possible. I will not repeat what my colleagues have already said on this subject and the work we have done in this direction. We had expected Parliament to seize its great opportunity today and adopt, with a large majority, the package under discussion. Unfortunately this has not been the case.

<sup>1</sup> Tabled by Mr Cervetti on behalf of the Communist and Allies Group, Mr Glinne and Mr Hänsch on behalf of the Socialist Group, Mr Grawronski on behalf of the Liberal and Democratic Group, and Mrs Cassanmagnago Cerretti.

### Mertens

We welcome the fact that the Stuttgart Summit called on the Commission to make proposals, which are contained in this package. We welcome the fact that the Commission made the proposals to this Parliament in this way. I cannot make any criticisms — for example by suggesting that the Commission could have acted more quickly — since the Commission has had its own problems to contend with. The package is before us then and we know — as has been confirmed in every speech today — that this is a genuine European problem which can only be solved at European level and that it is therefore a matter for this Parliament.

I cannot make myself believe that we have all the time in the world as one of our lady members has implied. This would appear to be an exaggeration whichever way you look at it. It is taking a very rosy view of things. We have no time. As has already been said, this is not the 11th hour, it is already past 12. We must solve these problems and we must not come up with arguments to delay the process. Thus I should like to say quite briefly that we have supported Mrs Van Hemeldonck's report, on which I am speaking, right from the outset. We would have preferred if we had been able to discuss this report earlier and in greater depth, but unfortunately the Socialists also started out by thinking that we could take our time over it — and if they don't believe me I might point out that they were responsible for preventing Mrs Van Hemeldonck from submitting her report the first time round. There is no getting away from this.

To get down to business — we intend to support Mrs Van Hemeldonck's report, as we feel that it represents a fundamentally correct approach. Indeed we would even congratulate the rapporteur on the approach she has adopted. The Committee has amended the report and it is therefore up to us to ensure, when we come to vote, that genuinely serious values are proposed to the Council. For this reason, we intend to vote against a number of individual proposals which we regard as over-ambitious, even though they were adopted by a majority in the Committee. I repeat that our aim had originally been to submit the entire package to the Council, and we very much regret the fact that this is not possible. We hope that those proposals which we can still support will also be adopted by the Council. I should like to conclude by saying that I would have liked it if it had been possible for Parliament to include, with an overwhelming majority, the following quotation from the Bible in its package of proposals to the Council: 'For I have given you an example, that ye should do as I have done to you'. Unfortunately the situation has changed. I should like to repeat, in conclusion, that we intend, as far as we can, to make a positive contribution towards solution of these environmental problems by our cooperation and voting.

*(Applause from the centre)*

**Mr Sherlock (ED).** — Mr President, I rise in the first place, to welcome you back into the Chair which was

really where the sum of the story began. I would say that earlier I was provoked almost beyond bearing and would quote the Frenchman who said *Cet animal est dangereux. Quand on l'attaque il se défend*. And I defended myself. Now I intend to defend the attitude of my group on all of these directives.

Let me say first of all, Mr President, that had the proper procedures been observed, there would have been no one more happy than myself to have debated together these three directives which contribute so much to the future attack on pollution in our Community. That we departed from that procedure was not of my doing and had the affair not exploded in the face of some who had conspired to ride roughshod over this Parliament and its committee and its honoured methods of reaching agreement on important subjects, we could have done well.

I was appointed rapporteur on 20 September. It emerged from the Commission in June. A committee was appointed in July. A bureau was formed from that committee with three members who might perhaps have smelt the urgency had their noses been so keen. The last paper on the subject did not appear from the Commission until 24 October. Still, we had virtually no hint of this urgency which suddenly has ruffled the feathers of everybody all the way down. For the first time in my life I have had the honour to be lobbied by a Treasury Minister of senior rank.

This by way of explanation and introduction of my particular situation. There is no one who could have worked with more haste towards the preparation and the delivery of a report. No one could have done it in the time requested. It was compounded of a most unseemly haste and it has resulted in a most undesirable result. Having said that, I am going to direct my remarks principally this evening to the two remaining topics on the list — the two reports dealing with the Commission's proposals in the field of air pollution. Both of these measures — on standards for nitrogen dioxide and emissions from large combustion plants — are part of the trilogy that we might have been debating: a response to the problem of so-called acid rain.

Before commenting on the Commission's proposals and the reports of Mrs Van Hemeldonck and Mrs Schleicher, I should like briefly to summarize the views of my group on the subject of acid rain, and those of you who have been throwing accusations about might care to listen with rather more than usual care.

Having looked at almost all the available material which has been written on this matter — and I have read perhaps almost as much of it as Commissioner Narjes — and it is undoubtedly one of the gravest environmental problems we face today, having spoken to scientists and politicians from most countries in Western Europe, not only in the Community, but well outside the Community and having listened to claims

**Sherlock**

and counter-claims, I have been able to come to the firm conclusion that it would be extremely foolish to claim to know the complete answer to the problem and extremely difficult to claim to know even part of the answer. Even in the last few months we have heard from some eminent scientists, many of whom come from the Federal Republic of Germany where, as we are only too well aware, acid rain has already taken significant toll, that the main culprit in the case of forest damage may not be sulphur emissions but ozone in the creation of which sulphur plays no part.

My group does not believe, however, that the scientific uncertainties which undoubtedly remain can permit or require politicians to sit back and do nothing, for if we were always to require scientific proof before we acted, we would have no policy of environmental protection at all. But what we do most firmly believe is that any action taken must be responsible action. It must reflect both the gravity of the problem and the uncertainties which remain as to its causes. We believe there is now a sufficient body of evidence as to the likely causes and effects of acid rain both to enable and require the Community and its member governments to take action. And this action must be designed to bring about significant reductions in emissions of sulphur dioxide, nitrogen oxides and other pollutants which contribute to the overall burden of air pollution. If we plan our action now — and I do mean *now* — we can, I believe, ensure that the controls, which anyone with a modicum of foresight can see are inevitable, can be introduced in such a way as to avoid any intolerable burden on our industries.

My group supports the principles contained in both of these Commission proposals. It supports the principles contained in the third Commission proposal on nitrogen dioxides. We are all agreed about lead. There is no argument about that. In fact, I did offer to produce an interim report on lead if we wanted to get that dealt with as a separate matter.

We certainly have reservations about some of the limits proposed by the Commission and we are, likewise, concerned at a number of aspects of the proposal on large combustion plant, believing the Commission has not always taken full account of the latest scientific evidence. Some of the reservations we have highlighted by tabling amendments. But as these were rejected by a large majority of our colleagues, we have exercised our customary restraint and refrained from retabling them in this House.

We therefore support the call for all Member States to achieve significant percentage reductions in harmful emissions, all of them, by 1995 along the lines proposed by the Commission. We recognize they will present certain problems for our industries and that the costs may be considerable, though not so prohibitive as is sometimes postulated. We nevertheless believe and hope that the benefits will amply justify the burden.

But, Mr President, if the Commission's proposals cause me to have reservations, the proposals of the Committee on the Environment, Public Health and Consumer Protection gravely disturb me. For example, as a result of committee amendments, Mrs Van Hemeldonck's report now sets a standard for nitrogen oxide so low that it could quite easily be exceeded by a moderately heavy thunderstorm — some of the figures are unmeasurable. But the wholly unscientific approach of some of my colleagues, whose main objective in dealing with these important matters appears to be to engage in rather unseemly competition to see who can propose the lowest values imaginable, has undoubtedly had the most regrettable consequences in the case of Mrs Schleicher's report on large combustion plant. I am really only saying exactly the same as Commissioner Narjes said on this particular topic, but in a different way.

We are all aware in this House of the problems of the West German Government; what it is facing over forest damage. Many of us, my group included, sympathize with their view that urgent and drastic action is necessary. To watch some of my colleagues from that Member State — aided and abetted by unlikely bedfellows in the Green Party — juggle with dates and figures without any apparent regard to their feasibility, benefit, cost, effect on employment, this seems to me to be utterly irresponsible. It is indeed as you say, Mr President, rubbish! It does not assist the Commission. It does nothing to encourage the Council of Ministers to pay closer attention to our opinions and, saddest of all, it may ultimately serve to make even more difficult the final decision on these proposals.

Let us come then to the final decision-making body, the Council. I am very well aware of the difficulties: the costs that will be involved for all, including my own national State, though I have not been prompted on this particular matter in this particular instance. My group recognizes two factors. Firstly, that as members of the Community we have a responsibility to act in such a way as benefits our partners, as I am sure they will do one day for us. Secondly, that we must take out an insurance for the future and that these proposals should be seen as such. If amendments are passed, Mr President, which make this proposal no longer a sound basis for action, I am afraid we shall have no choice but to abstain in the final vote.

*(Applause from the European Democratic benches)*

**Mr Roelants du Vivier (ARC).** — *(FR)* Mr President, ladies and gentlemen, strange things have been happening today at the European Parliament, things which do this House no credit. We have even witnessed British Conservatives getting hot under the collar, haven't we, Mr Sherlock?

One of the strange things was that we very nearly voted on a draft directive on lead in petrol, a very real

**Roelants du Vivier**

and important problem, as well as on a draft directive to reduce pollution from vehicle exhausts.

Some people are now making a last-ditch attempt to block any decisions, but this attempt is doomed to failure because the problem under discussion is not limited to the Federal Republic of Germany. All too often we hear that the problem is one which affects German forests. This is not so: it affects the whole of Europe. I, as a non-German, am here to bear witness to that fact.

The proposals made by the Environment Committee have also been described as unrealistic. The reason why we want to apply more stringent rules than the Commission has proposed is quite simply that we are asking that the standards applied in the United States since 1983 should be enforced in Europe. There is nothing unrealistic or idealistic about that. The technology is there and its feasibility has been proven. So we are not asking for the impossible. I think we should realize that it is now only a question of time. We can go further with regard to standards than the Commission has proposed.

Because the problem affects the whole of Europe, we must act quickly in the interests not only of the environment but also of public health. Public health — because we are dealing with lead in petrol, and as we know this can seriously affect the nervous system and is a danger to pregnant women and children both before and after birth. Then there are all the respiratory diseases we mentioned earlier, for example chronic bronchitis, which are caused mainly by air pollution.

I therefore think that the time has come to redouble our efforts and get on with the job more quickly. That is the task of this House. It is unfortunate that Parliament was unable to express its views on these questions today. But we shall return to them very soon, for let there be no doubt, this is a fight which we shall win if it takes a week, two weeks, a month or two months. We shall win in the end!

*(Applause from the left)*

**Ms Tongue (S).** — Mr President, regarding the introduction of unleaded petrol and the control of exhaust emissions, I would firstly like to speak on behalf of the 17 000 car workers who work at the Dagenham Ford plant in my constituency. I feel it is my responsibility to inform that workforce of any EEC measures that will affect their working lives. I thus resent strongly, as do other of my colleagues who also have car workers in their constituencies, the fact that we have not had sufficient time to discuss these proposals with our constituents who are affected by them. Car industry workers feel that they are having the life blood squeezed out of them by the combination of decisions taken without their knowledge by multinational management and the EEC.

I also resent the sheer hypocrisy of the Council of Ministers in asking for urgent procedure on Mr Sherlock's report when it is so highly improbable that they will reach a unanimous decision on 6 December at the meeting of the Environmental Council.

However, we have before us this evening a report which I believe is of even greater significance in the control of air-borne pollution. I refer to Mrs Schleicher's report. The cost to EEC Member States is at least £ 33 billion a year in corrosion and environmental destruction resulting from high levels of acidification fuelled by the 25 million tonnes of sulphur dioxide which is dumped on Europe every year, the bulk of which is the result of our failure to mitigate the effects of burning fossil fuels in our large combustion plants. Representing a part of London where sulphur-dioxide levels in the air are higher than anywhere else in the United Kingdom, I am concerned at the damage this represents both to public health and to our cultural heritage, given that every historic building in London is visibly being eaten away by pollution and this, in turn, represents a huge cost to our taxpayers.

Coming from a country that produces the highest output of sulphur dioxide in Western Europe, and is Western Europe's biggest exporter of pollution to Scandinavia and the rest of Europe, I hope that Mr Sherlock after this debate will actually forward a copy of his remarks to his Prime Minister, because I am ashamed that our Conservative Government has been notable in both its obduracy and its intransigence over the need to reduce emissions, and has, in fact, been trailing with its tail between its legs at the back of the international pack in refusing to give any formal commitment to reducing emissions in line with either UN or EEC Commission proposals. We are told by the Central Electricity Generating Board (the CEGB) who, by the way, produce 60% of Great Britain's SO<sub>2</sub> pollution and by our government that we need more research. We already have 3 500 pieces of research on atmospheric pollution and acidification. Asking for more research is a mere ploy to avoid taking action. We are also warned by that CEGB and our government that the costs involved in a full desulphurization programme in the UK would increase electricity prices to the consumer by 6%.

What we are not told is that this would be over a 10-year period, and that is mere peanuts in comparison to the announcement made last week by our Chancellor of the Exchequer that there would be an immediate 5% increase in electricity prices in the United Kingdom.

To conclude, my group supports the Schleicher report, and I ask that the Council of Ministers treats this report, and indeed Mrs Van Hemeldonck's report, with the same kind of urgency which it would like to attribute to Mr Sherlock's report.

**Mr Mallet (PPE).** — *(FR)* Mr President, ladies and gentlemen, this is an important, difficult and pre-ma-

**Mallet**

ture debate. It is important because the decisions reached on the lead content of petrol and on pollution caused by vehicle exhaust fumes will affect not only the environment and public health but also the competitiveness of European industry and the cohesiveness of the Community. It is difficult because the situations, sensitivities and interests of each country are far from identical on this point.

Lastly, I feel it is premature because so far not all the factors involved in this extremely complex and highly technical problem have been sufficiently explored. In particular, it now seems that acid rain is not the only cause of damage to woodland and that vehicle exhaust fumes are only partly to blame. Though I am not saying that the forests are not in danger.

This debate by urgent procedure has quite clearly caught Parliament unprepared, and negotiations at the Council are only just beginning.

Having said that, I believe that apart from our differences concerning technical procedures and deadlines, certain areas of agreement have emerged from our initial discussions. Firstly, there is the need to continue and intensify the already considerable joint action begun in the 1960s to reduce air pollution throughout the Community, as well as the need for a comprehensive policy to combat simultaneously all the factors which cause air pollution.

Secondly, there is the need for solutions on a Community scale, because isolated national measures could not protect the environment effectively and, indeed, would lead to the break-up of the Community. It is therefore essential that the Council should reach a decision quickly to forestall any unilateral decisions.

Thirdly, there is the need not to place too heavy a burden on the motor industry, which occupies such an important place in our economies and is a major source of employment. Account will also have to be taken of the difficulty of adapting small and medium-sized car engines.

The crux of the problem, as I see it, is that the American standards are not adapted to conditions in Western Europe from the point of view of vehicle categories, type of traffic and the need for reducing energy consumption. Catalytic converters are costly, their effectiveness is uncertain and they will soon be made obsolete by advances in technology.

In conclusion, I hope that this debate, which started so badly, will nonetheless help to bring our ideas closer together so that we can reach a compromise, thus avoiding the danger of a crisis which the Community would be wise not to add to its present difficulties.

*(Applause from the centre and right)*

**Mr Kilby (ED).** — Mr President, 100 million European motorists will be affected by the outcome of this

debate. West Germany's decision to introduce legislation on vehicle exhaust emission unilaterally creates enormous problems for the European motor industry.

Now this Parliament is being pressured to follow Germany down the wrong road. In the present state of the technical art, the only practical means of complying with the West German legislation is to install catalytic converters, but this component is not the answer to the problem. In fact, it creates far more difficulties than it solves. It has not solved the problem in California, neither has it solved the problem in Tokyo. In fact, more than half the vehicles driving around those roads have defective catalytic converters. It is an appalling product. It is very expensive to install as original equipment in new cars. It deteriorates rapidly in use and becomes an environmental hazard. It costs much more to replace, and in older, second-hand cars, this cost might be higher than the purchase price of the old car! Have you told your poorer motorist that in Germany?

Those who urge us to follow the German legislation on environmental grounds tell us that the high cost of catalytic converters will come down as the volume goes up. Well, I disagree, for the simple reason that some 60% of the cost of a catalytic converter is in the material and the material happens to be platinum — a noble metal in short supply. What do you think will happen to the price?

The fitting of catalytic converters will also increase consumption of scarce oil resources arising from lower engine performance which increases fuel consumption. Have you told your German people that?

There is a more intelligent solution to the environmental problem. New lean-burn engines and new fuels being developed in the industry will substantially reduce exhaust pollutants, reduce fuel consumption and reduce maintenance costs. So why follow bad legislation which will increase fuel consumption, increase maintenance for . . .

*(The President asked the speaker to conclude)*

. . . European motorist when an infinitely better solution is just around the corner!

**Mr Muntingh (S).** — (NL) Mr President, in 1972 the United Nations conference on the environment was held in Stockholm. On that occasion the Scandinavian countries told us that their lakes were turning acid and dying. They sounded some dire warnings at that time, but these fell on deaf ears. Not a single country reacted, not even Germany. Now, 10 years later, Germany suddenly discovers that its own forests are dying as well as the lakes in Scandinavia, and then promptly decides to take action — a case of locking the stable door after the horse has bolted: I must say, though, that the German Government has put forward some

**Muntingh**

excellent proposals. They are very sound, but the shameful truth is that the German Government is only now beginning to take the matter seriously after thinking for 10 years that the Scandinavians could be left to their fate.

Then we have the Netherlands Government, which can do nothing but wait and see what its big brother does. It is just like the fable by La Fontaine: the German eagle soars to a great height, and that makes the little Dutch wren decide to fly even higher! It is clearly ludicrous that the Netherlands Government should now be patting itself on the back for its incredibly enlightened attitudes, when in fact nothing could be further from the truth. As for the British Government, all it can say is that nothing has been proved scientifically and that, as Carole Tongue has just pointed out, all the facts must be firmly proved. It is impossible to take such attitudes seriously. In fact, the present attitudes of the British Government make one wonder whether there is anyone with any intelligence in it.

As for France, its government has announced that Parliament must not discuss the directive on lead in petrol! What do we get instead? We get a proposal from a Frenchman, and even that is accepted! Look at Italy — while France's Prime Minister is sending letters to Germany telling the Germans to be careful because the French motor industry will get into difficulties, the same thing is happening there.

Are politics to be taken seriously? I fear the worst. So we turn to the Commission rather than to the national governments. And what has the Commission been doing lately? It has been issuing proposals, and quickly — for which I compliment it. It has been working very hard and extremely fast. However, things do not look so bright when we examine the contents of these proposals. They are even worse than we expected and are in no way commensurate with the scale of the problems we face. Thus, Mr President, the citizens of Europe cannot even count on the Commission.

What are people to do now that they see their trees, plants and animals dying? Where can they turn? They are obliged to pin their hopes on a powerless European Parliament. But Parliament, powerless though it may be, has done its best. An excellent report has been submitted by Mrs Schleicher and a good one by Mrs Van Hemeldonck. The Sherlock report is not yet available, but I dare say it will be a good one. We now have to vote on these and on a number of amendments. I am convinced that Parliament, unlike the national governments and the Commission, will be prepared to shoulder its responsibilities. The Socialist Group has been very active in providing rapporteurs and tabling amendments and in helping with the work to be carried out. We sincerely hope that as soon as Parliament has adopted the relevant items, this House will be taken seriously by the Commission and then by the Council.

**President.** — Mr Muntingh I just wanted to say that the birds which you mentioned are not found in the Wattenmeer.

**Mrs Lentz-Cornette (PPE).** — (FR) Mr President, I propose that the name of our Environment Committee should be changed; its name is, in fact, the Committee on the Environment, Public Health and Consumer Protection.

In my view the word 'protection' should come first: the Committee would thus be called the Committee for the Protection of Public Health, the Environment and Consumers.

I should point out, first of all, that the views just expressed by Mr Mallet are those of a minority of our Group. If he thinks that three courses of action are needed, then I fail to see why we are holding this debate. If we urgently need to reduce pollution, to tackle our problems on a Community scale and arrive at a decision quickly so as not to place too heavy a burden on the motor industry, then I cannot see the point of this debate.

I would have liked the report on lead to have been included in this debate, together with the reports by the other committees, namely the Environment Committee, the Committees on Economic and Monetary Affairs, on Energy and Research, and on Transport. But this was not to be. I would like to remind the House that our heritage — our forests, buildings and churches, etc. — are in danger. The disease has already been diagnosed and we know most of its symptoms. We also know the remedies, but we have not yet had the courage to apply them. We shall gradually succeed if we control emissions from thermal power stations and reduce nitrogen oxide and nitrogen dioxide emissions, as dealt with in Mrs van Hemeldonck's report.

Where a minority of us disagree is on the question of what approach should be adopted now. According to the Commission document, we are not obliged to opt for catalytic converters. The question of how to reduce pollution is still open, and even though certain conservationists are constantly referring to such devices, no-one is telling us that we must use them. There are other ways, and there is still research to be done on lean-burn — research is already under way in the United States — and on the addition of ethanol to petrol, which has the effect of increasing the octane rating without the need for lead. There are other approaches which I feel should be explored.

But what we must not do is lose the lead which we have over other countries, especially the United States. Unless I am mistaken, I believe that America is some years behind Europe in the development of cleaner car engines. We have succeeded in building compact engines which use less than 10 l per 100 km — this

**Lentz-Cornette**

would have been inconceivable ten years ago — and we shall continue to reduce consumption rates as research advances.

Everyone, that is all the European car producers, is capable of making cars which are less polluting. They sell these to America and Japan and I do not think they would be under any undue financial strain if they were required to produce similar models for the European market.

I have before me a summary of the reports on the environment drawn up in the United States and Japan. These show that pollution levels have been greatly reduced in those countries over the past decade.

I shall conclude by saying that we should act quickly and take action on a European scale to ensure that our car industry maintains its leading position in the world and, in particular, that we remain leaders in the fight against pollution.

**Mr Kilby (ED).** — Mr President, I wish to make a point of fact. The last speaker says that she is not suggesting — and no one is suggesting — that you have to fit catalytic converters. I must point out that, as things stand at present, you have no alternative, if you are to comply with that legislation.

**President.** — Mr Kilby, I must ask you to stop. That was not a point of order.

**Mr P. Beazley (ED).** — Mr President, there is no doubt that the effect of higher standards of living in the developed world has been to increase levels of pollution. Not only that, it causes more serious forms of pollution and to a much higher percentage of the population. Each century has had to face this problem in a different form. The Middle Ages up to the nineteenth century suffered from plague through lack of adequate sewage. In the nineteenth century the horse and cart and the early concentration of populations in urban areas caused pollution quite unacceptable today. In our own lifetime we have conquered city fogs and the previous very high levels of deposition from factory chimneys. So there is nothing new in this problem, and it must be conquered as it has been conquered in the past.

This cannot, however, be achieved overnight. The reduction and elimination of lead and noxious gas emissions from vehicles is essential, as is the further reduction of pollution from large combustion plant emissions. It is not the polluter, however, who pays but the public, through increased prices. Elimination of pollution costs time and money. However, the greater the speed, the higher the cost, the less efficient the result and the higher the energy penalty.

I recommend that the Federal Republic of Germany should not try to pre-empt the excellent proposals of

the Commission with regard to the lead content of petrol and the level and quality of emissions. It must reduce the high energy and pollution penalty of having no speed limits. If it wants to emulate US levels of emissions, it must be willing to accept US speed limits. Otherwise, I am afraid that the government will, much to my regret, totally lose objective credibility. If it does pre-empt the Commission's timing, German woods will still die from emissions from its own large combustion plants and those of its neighbours.

Finally, may I ask the Greens not to attribute all dangers to health to vehicle or factory emissions. Smoking and over-eating today cause probably more serious bronchial and heart complaints and early death. This is self-inflicted and a cost on the public purse too. Let us then deal with our problems calmly, seriously and with appropriate cost and timing.

**Mr Avgerinos (S).** — (GR) Mr President, we are speaking here about environmental pollution, which means that we agree that nature has fallen ill and that we would be well advised to make haste to apply the principles of environmental protection from now on.

Environmental protection and, by extension, the quality of life are today being threatened to a tragic degree, creating a problem for the survival of man and all other forms of life. The complexity of the issue, the need for a long-term policy, the extent of biological damage and its economic repercussions make the problem an exceptionally difficult one. However, independently of these and other difficulties, we in this House must, voice not only our anxiety but also our political will and the immediate priorities for rapid solutions.

From 1978 on the World Health Organization has formulated and proposed concrete solutions, it has spoken of the threat which Europe, in particular, is facing. However, we Greeks are particularly sensitive of this subject, because, as you know, we are facing severe problems of environmental pollution. Athens is being stifled by smog, while our seas will soon be converted into dead seas. Hence we need to adopt a series of measures. However, as early as June 1983 we reduced the lead content of our petrol to 0.15 i. e. the lowest limit provided for in the Community, because unfortunately the permissible upper limit is still 0.4.

Thus it is clear that we will back any serious attempt by the Community to protect the environment. However, this does not prevent us from expressing a number of reservations regarding the time limits. We agree on the need to take immediate measures, but we wish to pinpoint the problems which we are facing and which concern the particular conditions in our country. These have to do with technical difficulties, economic weaknesses and Greece's geographical character, which with its hundreds of islands almost constitutes an archipelago. This idiosyncrasy means that the



**Avgerinos**

smooth and unhindered application of the proposed measures is very difficult to achieve simultaneously and harmoniously in the tourist regions. Thus, insofar as all these measures are meant to apply everywhere, we call for an exemption from the proposed time limits.

**Mr Seligman (ED).** — Mr President, firstly, I support the report of the wonderful Mrs Schleicher — no, the wonderful report of Mrs Schleicher.

*(Laughter)*

In our anxiety to save trees and lakes we are in danger of striking out wildly in every possible direction, regardless of cost and regardless of damage to Community energy. We may spend millions and, nevertheless, find at the end that the trees are still dying. Nor is any good reducing sulphur dioxide emission only in Western Europe when 60% of emissions come from Eastern Europe where the increase has been 40% in the last five years; something like 35 million tonnes a year. So this is a case where it is no good us working alone; we must work with Eastern Europe.

One serious problem — a rather detailed one — concerns the height of chimneys. Smoke emerges from high chimneys above the mixing layer and travels thousands of kilometres to distant forests and lakes. Therefore, Amendment No 18 to Article 10 which was accepted by Commissioner Narjes calls for new chimneys to be reduced from 200 metres to 100 metres. But this is another case where there is a major conflict between energy and environment. If chimneys are not high enough, power stations will become highly inefficient and smoke will become a local problem and not a long-distance one. In fact, inversion could take place. So, chimney height, like many other issues, is a matter of compromise between energy efficiency and the environment. My group will vote against Amendment No 18.

A great deal more research is necessary before we can be sure that the measures we take are the right ones to prevent the death of trees and lakes. Let us act rapidly, methodically, comprehensively and effectively, and not by panic measures.

Finally, on the question of catalytic converters, Parliament should know that in the USA seven years after introducing catalytic converters the atmosphere in the USA is still no different — no better, no worse — than the atmosphere in Europe where nothing has been done. And the Canadian trees are still dying. So, is it worth spending a very large sum of money to buy a new catalytic converter every 50 000 miles. How is this going to affect the poorer motorist who has to buy a second-hand car and cannot afford a new one? Let us think of him a bit.

**Mr Narjes, Member of the Commission.** — (DE) Mr President, I should just like to make a number of fac-

tual remarks in connection with the second part of the debate.

Firstly, as regards our scientific understanding of this subject, I would refer you to our symposium in Karlsruhe a year ago. Reports of this symposium have been distributed and show the extent and limits of our understanding of the causes and effects of these problems. As they stand they could form a very useful basis for this House to work on.

Secondly, the costs of industrial furnaces and the possibilities for waste-gas cleaning. The various competitors in this field are constantly offering interesting solutions for the problem of cleaning the exhaust gases from industrial furnaces. Nowadays, there is a choice between sulphuric acid, dry sulphur, ammonium sulphate, gypsum or, in time, even hydrogen as a by-product and depending on the marketability of these products and the prices they fetch, the operating costs for these gas-cleaning plants will disappear. This means that it is no longer legitimate to quote horrendous costs as if they were inevitable.

As regards the question of catalytic converters, I should like to point out that the Commission has not prescribed the use of them but rather has prescribed values which are attainable with existing technology. It is true that a catalytic converter technology has been developed in the United States over the last twelve years. However, whether it will prove its worth in the long term remains to be seen. We have no strong opinions one way or the other. We see that a Japanese model with a combination of lean-burn oxydation catalysts has reappeared on the market and that it is no cheaper than the other systems. However, we are not prejudiced in favour of one solution or another nor do we feel any animosity, as it were, against one system or another. The environment demands the best technical solution which the companies can offer to their clients. It is not true to say that catalytic converters need to be changed every 15 000 miles — in the United States they are changed every 50 000 miles.

It is a fact that in the United States catalytic converters have not produced the results that might have been expected, because two mistakes were made when they were introduced. On the one hand, leaded petrol was made cheaper than unleaded petrol with the result that in dubious cases the ignorant or indifferent consumer bought leaded petrol. We have therefore proposed making unleaded petrol substantially cheaper in Europe than leaded petrol. That would be the first thing. Secondly, we have proposed regular testing of vehicles by qualified workshops, such as the German TÜV. In this way we will be able to prevent tampering, which is held responsible for 10% of the damage in the United States. There is therefore every reason to assume that we will achieve better results more quickly since we can learn from the mistakes made by the United States.

**Narjes**

As regards energy consumption I should like to draw Mr Kilby's attention to the British experts who have convinced us that there has been a slight hiccup in the downward trend in specific energy consumption, but no long-term change in the pattern of energy consumption and the development of motor vehicle technology.

Platinum does not warrant any further discussion since we have found out that in view of the anticipated increase in consumption current prices are so low that in most cases recycling is not worthwhile. If prices were to increase, recycling would become worthwhile and this would automatically result in a market balance. We do not fear any problems in that area at the moment and I think this point should be made once more in view of the importance of these details.

**Mr P. Beazley (ED).** — Mr President, if I might just make a point to the Commissioner. I think I am allowed to do this. He mentioned that the price to the public of lead-free petrol would be cheaper. But that,

of course, is through subsidies; the actual cost of production is much higher.

**Mr Narjes, Member of the Commission.** — (DE) If you will bear with me, I should like to give a precise reply to the precise question. Of course we do not exclude the possibility of using tax measures to make sure in an initial phase that lead-free petrol is cheaper than ordinary petrol. But we have been given to understand that it is mainly a function of the production volume. When there has been a large-scale change to lead-free petrol, this will improve the price situation as regards the latter, although it will not change it completely. But it is up to the legislators to see to it.

**President.** — The debate is closed.

The vote will be taken during the next voting time.

*(The sitting was closed at 8 p. m.)<sup>1</sup>*

<sup>1</sup> *Deadline for tabling amendments to the 1985 draft budget — Agenda for next sitting: see Minutes.*

## SITTING OF FRIDAY 16 NOVEMBER 1984

### Contents

1. <i>Approval of Minutes:</i> <i>Mr Sherlock; Mr Cryer; Mr Ford; Mr Megahy</i> . . . . .	203	<i>Mr Bonaccini; Mrs Tove Nielsen; Mr Christensen; Mr Ulburghs; Mr Falconer; Mr Mühlen; Mr Cassidy; Mr Romeos; Mr de Courcy Ling; Mr Falconer; Mr Raftery; Mr Alavanos; Mr Cryer; Mr Richard (Commission); Mr Patterson</i> . . . . .	212
2. <i>Votes:</i> <i>Mr de Courcy Ling; Mr Richard (Commission); Mr de Courcy Ling; Mr Richard; Mrs Schleicher; Mrs Weber; Mr Muntingh; Mrs Schleicher; Mr Muntingh; Mrs Schleicher; Mrs Weber; Mrs Squarcialupi; Mrs Schleicher; Mr Seligman; Mr Muntingh; Mrs Schleicher</i> . . . . .	204	6. <i>Agricultural and fisheries structures in Portugal — Reports (Doc. 2-805/84) by Mr Tzounis and (Doc. 2-947/84) by Mrs Péry:</i> <i>Mr Tzounis; Mrs Péry; Mrs Pantazi; Mr Clinton; Mr Battersby; Mrs Ewing; Mr Moorhouse; Mr Richard (Commission); Mr Tzounis; Mrs Péry</i> . . . . .	224
3. <i>European emergency health card — Report (Doc. 2-956/84) by Mr Parodi:</i> <i>Mr Parodi; Mrs Van den Heuvel; Mrs Banotti; Mrs Daly; Mr Richard (Commission); Mr Gaibisso; Mr Roelants du Vivier</i> . . . . .	207	7. <i>Exchange of young workers within the Community — Report (Doc. 2-948/84) by Mrs Seibel-Emmerling:</i> <i>Mrs Seibel-Emmerling; Mr Peus; Miss Brookes; Mrs Ewing; Mr Richard (Commission); Mr Hutton; Mr Kyrkos; Mrs Larive-Groenendaal; Mr McMahon</i> . . . . .	229
4. <i>Action to combat poverty (Commission statement):</i> <i>Mr Richard (Commission); Mr Megahy; Mr Welsh; Mr Richard; Mr Welsh</i> . . . . .	211	8. <i>Membership of the Commission of the European Communities</i> . . . . .	234
5. <i>Economic situation — Report (Doc. 2-952/84) by Mr von Bismarck:</i> <i>Mr von Bismarck; Mr Ciancaglini; Mr Herman; Mrs Van Hemeldonck; Mr Patterson;</i>		9. <i>Adjournment of the session</i> . . . . .	234

IN THE CHAIR: MRS PÉRY

*Vice-President*

*(The sitting opened at 9 a.m.)*

#### 1. *Approval of Minutes*

**President.** — The minutes of yesterday's sitting have been distributed.

Are there any comments?

**Mr Sherlock (ED).** — Madam President, I thought I might bring to your notice the fact that on the record of voting yesterday with the electronic machine Mr Michelini is recorded as having voted. I am sad to notice that he did not sign in yesterday. I would hate him to miss his *per diem*. Perhaps we could remind him that he should sign in, if in fact he is here.

**President.** — We shall look into it, Mr Sherlock.

**Mr Cryer (S).** — Madam President, on page 6 it says,

The following put brief questions to the Commission under Rule 40(2) . . .

**Cryer**

Then it gives a list of speakers and states:

'The following spoke ...'

Now that is not accurate because all the people listed there put question to the Commission. There was no question of a debate. Everybody simply put questions. Whilst it is not strictly related, Madam President, to the matter of accuracy, I would like to draw your attention to the fact that there were that number of people asking questions in total and the Commissioner gave a statement on two subjects, Ethiopia and the Lomé Convention. Not one of those questions was about the Lomé Convention because there wasn't any time. I simply want to draw your attention to this and to request the President of the Assembly to ensure that when Commissioners do make statements, particularly about very grave and important matters like the starvation in Ethiopia, they confine their statements to the single subject so that we can get properly comprehensive answers, which were not given yesterday.

**President.** — I would point out that in the French version the heading seems to be correct, since the statement is made:

'The following put brief questions to the Commission under Rule 40(2) etc.

The French version is therefore in line with the facts.

**Mr Ford (S).** — Madam President, might I express my disappointment in Mr Sherlock. If he had been checking the minutes accurately he would have seen that on Wednesday I was voting but was not recorded as being present although I signed in. So while we are conducting the investigation, could we find out how it is that after I signed in I am not recorded as being present. Maybe Mr Sherlock should spend a little more time checking who has been voting without having been signed in.

*(Parliament approved the Minutes)<sup>1</sup>*

**Mr Megahy (S).** — Madam President, I have a question about this morning's agenda. On Monday I put a question to the Commission about the poverty programme and Mr Tugendhat who was here for the Commission said that he would try to make arrangements for Commissioner Richard to answer the question at a later stage in the proceedings. I wonder if you can give me any indication whether that opportunity will be granted this morning. If so, at roughly what time can it be expected?

**President.** — I propose Mr Megahy, if the Assembly agrees, to put in this item after the votes entered on the agenda.

*(Parliament indicated its approval)*

## 2. Votes

**Report by Mr de Courcy Ling, on behalf of the Committee on Development and Cooperation, on the proposal from the Commission of the European Communities to the Council (Doc. 2-444/84 — COM(84) 378 final) for a regulation fixing the Community's generalized tariff preferences scheme for 1985 (Doc. 2-949/84).**

*Motion for a resolution*

*Paragraph 18 — Amendment No 2*

**Mr de Courcy Ling (ED), rapporteur.** — Madam President, I am very grateful to Mrs De Backer Van Ocken for this amendment, because it considerably improves my own paragraph 18. Could I just draw the attention of the House to its import, which is to consult social partners about the application of ILO Convention in the developing countries who benefit from the GSP? I am in favour of this but, before inviting the House to commit itself in favour, I would like to know what the Commission thinks about it.

**Mr Richard, Member of the Commission.** — Madam President, in a sentence, the Commission is in favour, of course, of consultation with the social partners, but we would not find it possible to accept the provision that they should be involved in the regular monitoring of the situation.

**Mr de Courcy Ling (ED), rapporteur.** — In that case, can I suggest that when we vote on this amendment, we subtract from it the final sentence — in other words that we split the text at 'ILO Conventions'. I recommend the House to vote in favour of the first part, and then we vote on the words 'and that the social partners should be involved in the regular monitoring' and I would advise the House to vote against that.

*Parliament adopted the motion for a resolution*

\*  
\* \*

**Report by Mrs Weber, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission of the**

<sup>1</sup> *Petitions — Transfer of appropriations — Written declarations (Rule 49) — Documents received — Procedure without report: see Minutes.*

de Courcy Ling

**European Communities to the Council (Doc. 1-1001/83 — COM(83) 528 final) for a decision on the adoption of a work programme for the first phase of the implementation of an information system on the state of the environment and natural resources in the Community (1984-1987) (Doc. 2-951/84).**

*After the vote on the nine amendments to the proposal for a decision*

**Mr Richard, Member of the Commission.** — Madam President, I want merely to say that, as far as the Commission is concerned, I am afraid we do not find it possible to accept Amendments Nos 1 to 9. I gather it is necessary for me to say that at this stage.

*(Parliament adopted the motion for a resolution)<sup>1</sup>*

\*  
\* \*

**Report by Mrs Van Hemeldonck, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council for a directive on air quality standards for nitrogen dioxide (Doc. 1-781/83 — COM(83) 498 final) (Doc. 2-953/84): adopted<sup>2</sup>**

\*  
\* \*

**Report by Mrs Schleicher, on behalf of the Commission on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council for a directive on the limitation of emissions of pollutants into the air from large combustion plants (COM(83) 704 final — Doc. 1-1304/83) (Doc. 2-950/84).**

*Proposal for a directive*

**Mrs Schleicher (PPE), rapporteur.** — (DE) By way of simplifying matters I should like to make a few remarks. All the amendments tabled by Mr Schmid were already rejected in committee. The new amendments mention different limit values to the ones agreed in committee, and they are very complicated. In the short space of time available it is impossible to examine the question of what effects they would have and whether, in fact, they are feasible at all.

Since the committee agreed by a large majority on limit values that are considerably lower than those proposed by the Commission, I cannot, as rapporteur,

accept these amendments. I am therefore in favour of all amendments adopted by the committee but against all new amendments or amendments rejected in committee.

*Article 2 (5)*

**Mrs Schleicher (PPE), rapporteur.** — (DE) On that we have a corrigendum.

**President.** — I must say, Mrs Schleicher, that I have not got that document here.

**Mrs Schleicher (PPE), rapporteur.** — (DE) The corrected amendment has been printed and is available. If the Chair does not have it, I am sorry, but all the Members have it.

**Mrs Weber (S), chairman of the Committee on the Environment, Public Health and Consumer Protection.** — (DE) The Committee on the Environment, Public Health and Consumer Protection has voted on this, as the rapporteur has just said. If the amendment is contained in writing in the report in all languages, we should be able to vote on it, even if it has not been printed separately. The Committee on the Environment has adopted it in this form as an amendment to the Commission proposal.

*Article 4(3) — Amendments Nos 22 and 10*

**Mr Muntingh (S).** — (FR) I propose that the amendments in question be regarded as additional.

**President.** — Mrs Schleicher, I should like to have your opinion.

**Mrs Schleicher (PPE), rapporteur.** — (DE) We have a mistake here. The revised amendment included what had been agreed upon by the committee:

Member States may require compliance with emission limit values which are more stringent than those set out in Annex I and they may shorten the periods and set earlier deadlines.

This should make Amendment No 22 superfluous. In Mr Bonaccini's amendment there is only one further addition, namely:

... within their respective territory ...

**Mr Muntingh (S).** — (NL) Mrs Schleicher is right, Amendment No 22 can fall if Amendment No 10 is adopted; but the original wording of Article 4(3) includes a further clause:

<sup>1</sup> The rapporteur was;  
— FOR Amendments Nos 1 to 9, 11, 13, 14 and 17;  
— AGAINST Amendments Nos 10, 12, 15, 16 and 19.

<sup>2</sup> The rapporteur was:  
— FOR Amendments Nos 1 to 20, 31 to 35;  
— AGAINST Amendments Nos 21 to 25, 27, 28 and 30.

**Muntingh**

... they may impose an emission limit-value for *other* — [this is the keyword] — pollutants and also additional requirements.

If Amendment No 10 is adopted, then this clause in the Commission's text will be lost. I think that would be very regrettable: I want to see the clause left in. Hence my request to the rapporteur to consider Amendment No 10 as an addition to the existing wording.

**President.** — Mr Muntingh, please try to understand. I do not have the documents in French. I propose that we vote on the two amendments as they stand. I am sorry but we cannot repeat a committee debate here.

**Mr Muntingh (S).** — (NL) But, Madam President, it is a very simple matter for the rapporteur to say whether she agrees to the words being added. In that case, we can vote as usual and the amendment is an addition. Otherwise, the amendment replaces the text. It is clear as daylight. The rapporteur should therefore have no difficulty in clarifying the matter.

**Mrs Schleicher (PPE), rapporteur.** — (DE) The second part of the sentence in the Commission report was not adopted in committee.

*Annex I*

**Mr Muntingh (S).** — (NL) Madam President, we now come to the amendments to Annex I. I would ask you to put first to the vote those that go furthest, and in my humble opinion that means Amendment No 32.

**Mrs Schleicher (PPE), rapporteur.** — (DE) The whole matter is very complicated, because here we have completely different limit values. The committee did not have Mr Muntingh's amendment before it, and I can only deplore the fact that he did not submit it to the committee. We would have liked to have discussed it.

The whole matter is very complicated. All I can do is to make it quite clear that what has been decided on in committee was very carefully thought out and is quite sound. Mr Muntingh's amendment is something else again. I cannot say whether it does go further. It is simply completely different. It really makes no difference whether we do now vote on it first, because we can always come back again to the committee's amendment. I should, however, like to point out that this amendment has never been discussed with anybody and is very complicated. It would be asking too much of Parliament to give an opinion on it here and now.

**Mrs Weber (S), chairman of the Committee on the Environment, Public Health and Consumer Protection.** — (DE) I am afraid that many people will not immediately realize where the differences are between these two amendments. In fact, Mr Muntingh has not proposed any very substantial changes, though in the matter of emission limit values he has made a distinction between lignite and bituminous coal. On this point he has gone further than the committee. Perhaps this will help to clarify the matter a little.

*After the vote on Amendment No 32*

**Mrs Squarcialupi (COM).** — (IT) Madam President, I should like to draw the attention of the House to a procedural practice which is followed both here and in committee because it does speed things up a bit.

Members do have distributed to them amendments, such as Amendment No 20 or Amendment No 33, in which the figures contained are not backed up by any documentary proof. As well as that, these amendments are normally tabled, both in committee and in the House, only ten minutes before voting time, and always without any reasons to back them up. Quite clearly this makes it very difficult for us to vote with a full knowledge of all the factors involved, and this is in conflict with the principle of the free vote laid down in Rule 2. My point therefore is that these facts and figures should be discussed beforehand or at least backed up by adequate evidence.

**President.** — Mrs Squarcialupi, I have taken note of your remarks. However, these amendments have been tabled and I must therefore put them to the vote.

*Motion for a resolution**Before paragraph 1 — After the adoption of Amendment No 34*

**Mrs Schleicher (PPE), rapporteur.** — (DE) Unfortunately I did not get a chance to speak just now. All the decisions that we have just taken and the decisions we had already taken in committee weaken Mrs Squarcialupi's amendment. However, we have now voted on it and it must be incorporated in the resolution. I regret that. However, I should now like to ask that I be given the floor for each amendment, so that I can give my opinion on it as rapporteur.

*Explanations of vote*

**Mr Seligman (ED).** — Much as I support Mrs Schleicher's original report, some of the amendments

**Seligman**

that have been passed this morning make the report completely ridiculous and impractical and are bound to be rejected by the Council in the end. For instance, we have voted for a maximum chimney height of 100 metres. No power station of any size can work efficiently at that height. Secondly, under Mr Muntingh's amendment, we have said that bituminous coal must be limited to 0.6% sulphur. In that case we shall have to import an enormous amount more coal to run our power stations, and I would ask our friends opposite to think very carefully before they limit the use of our home-produced coal and demand imported coal to run our power stations. So, I shall vote against.

**Mr Muntingh (S).** — (NL) The obvious consequence to be drawn from what the last speaker has just said is that he will soon only be able to plant air-resisting plants in his garden and the rest will be left to die.

As regards the report, I wish to congratulate Mrs Schleicher. I only have a remark to make concerning the Christian-Democrats and the Communists. I tabled an amendment to Annex I which went further than the other two. The complaint was made, by Mrs Squarcialupi, that she had no opportunity of studying the amendment since it was too complicated. Mrs Schleicher, too, said something similar. Well, I have to say, to my great regret, that I don't quite understand, because it wasn't all that difficult. Listen to me, I consider it a pity, because it wasn't all that complicated. All I did was to make a distinction in the Annex between coal and lignite, and that is an important point.

The question now is whether — and this is the reason for my explanation of vote — I can vote in favour of Mrs Schleicher's report, since this enormously important annex has not been adopted. However, I feel it is so important that this matter should make progress in the European Community that I shall not vote against this report but, on the contrary, in favour.

**Mrs Schleicher (PPE), rapporteur.** — (DE) My report is already very complicated because of the many technical details it has to deal with. I regret that the new amendments that have now been tabled were not brought forward for discussion in committee, if they are that important. It is really asking too much of Parliament to expect that matters that were not discussed separately and in committee should now be dealt with within two weeks. In future, Mr Muntingh, I must ask you to bring up any points that you have to make in the committee.

We spent an entire half day in committee going over the report point by point with most of the committee members present. We may take it therefore that it was not a case of the committee being manipulated by just a few Members. I believe therefore that often careful deliberations of this kind must be allowed to prevail,

although naturally I am sorry if you feel that you have better proposals to make. I feel that it is very difficult to debate matters of such detail in the House unless they have been discussed beforehand with all the Members.

Everything that is in this report has been carefully thought out and is in line with what was agreed to by the committee. Indeed, I might add that one of your amendments has been adopted by the House. I do not want to oppose this as rapporteur, but I would nevertheless be grateful if matters of this kind could in future be discussed somewhat more thoroughly in committee.

There is a corrigendum to my report. I should like to ask the Bureau not to publish the report without the corrigendum, because it is very important.

*(Parliament adopted the motion for a resolution)<sup>1</sup>*

### 3. European emergency health card

**President.** — The next item is the report by Mr Parodi, drawn up on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the

proposal from the Commission to the Council (Doc. 1-1306/83 — COM(83) 750 final) for a draft recommendation concerning the adoption of a European emergency health card (Doc. 2-956/84).

**Mr Parodi (PPE), rapporteur.** — (IT) Mr President, ladies and gentlemen, I am particularly happy to be dealing with a matter concerning health at this time when, six years after the previous meeting — and that seems to me a little too long — a meeting of the Council of Health Ministers of the Community Member States is about to be held.

We are now at a stage when the conviction is gradually growing that, where health matters are concerned, the European Community can and must play a more decisive part in laying the foundations for further progress in the health and social security systems operating in the various Member States. This is made all the more necessary by the fact that there are health problems common to all the Member States which require uniform solutions. The most appropriate forum for seeking these solutions is to be found in the Community institutions. It should be possible to devise for all the Member States evenhanded rules of a uniformly high quality that would go beyond a mere recommendation.

<sup>1</sup> On the motion for a resolution the rapporteur was:  
— FOR Amendments Nos 26 and 30;  
— AGAINST Amendments Nos 25, 31, 35 and 36.

**Parodi**

The final aim of all our efforts must be to build up gradually a legislative framework which, on the one hand, will guarantee citizens of all our Member States an adequate standard of health care and social security and, on the other hand, will make cooperation in the health sector a further instrument for forging a union between the countries of the Community.

Seen in this light, the adoption of a European emergency health card can form a vital element in the ongoing process of European construction. It is only a beginning, but it is important and it is relatively easy to draw it up, because while the whole issue does indeed pose certain specific problems of a technical nature, it does not raise any problems of a general nature nor give rise to any basic conflicts.

Furthermore, there can be no argument about the advisability of an emergency health card, since there is plenty of evidence to show that it is an invaluable help to a doctor giving emergency treatment to a patient previously unknown to him. As a matter of fact, where details of a patient's medical history are not available, it can often be very difficult to give proper emergency treatment in the case of accident or serious illness. The increasing mobility of citizens within the Community obviously means that cases where doctors have to give emergency treatment to people from other Member States are becoming ever more frequent. It has been estimated that about eight to ten per cent of Europe's citizens suffer from serious or chronic illnesses, which means that there is a greater potential number of people who may need emergency treatment. It is for such patients at risk that the proposed recommendation put forward by the Commission is intended in the first place.

This proposal is a response to a resolution on a European health card adopted on 13 October 1981 by the European Parliament. Parliament was requested to deliver its own opinion, pursuant to Article 235 of the EEC Treaty, by letter of 12 January 1984 from the President of the Council of the European Communities. Opinions on the draft recommendation were delivered by the Committee on Legal Affairs and Citizens' Rights, Mr Petronio being the draftsman, and the Committee on the Environment, Public Health and Consumer Protection, both of these committees being responsible for opinions.

At all the various stages of the procedure the problem was gone into in great depth. For this reason the House will find put before it today a number of points which should enable us to have a lively debate on the whole matter and to adopt in good time an opinion on the draft recommendation.

The first point to which I would like to draw the attention of the House is the fact that in the explanatory statement accompanying the draft recommendation there is reference to persons particularly at risk. However, the recommendation itself, as the Com-

mittee on Legal Affairs and Citizens' Rights has been at pains to point out, seems to allow Member States to issue the health card to other potential patients who request it. Following a detailed and wide-ranging discussion on the whole matter, the Committee on the Environment, Public Health and Consumer Protection has proposed that the Commission's recommendation be amended so as to make it clear that anyone, regardless of whether or not he belongs to a group at risk, may request that he be issued with a health card.

All this means that the emergency health card can be a stepping-stone to a future general health card to be issued on request to citizens of the Community and to be used for medical treatment throughout the entire Community.

Germany has had the emergency health card since 1974. It is issued on a voluntary basis, mainly to population groups at risk, and so far it has been issued to over 8 000 people. In 1978 a similar health card was introduced in the Grand Duchy of Luxembourg. The experience gained in these countries shows the value of such an information service, which has proved particularly useful in the emergency departments of hospitals. The results that have been attained so far are a further argument in favour of the advisability of this measure.

With regard to the contents of the health card, I would refer Members to the Commission recommendation itself for more precise details. In general, however, it may be said that, in addition to the usual biographical information, it is intended to indicate the blood group, the Rhesus factor, information on any previous blood transfusions, vaccinations already received and other information of this kind.

Further information conveyed in the health card would concern particular risk factors, especially specific allergies that could otherwise be ascertained only by means of long and complicated investigations, diabetes, nervous ailments, serious operations already undergone, chronic organic diseases, heart disease, pacemaker, dialysis, haemophilia, glaucoma and so on. There would also be a space reserved for further remarks by the family doctor normally in charge of the person's treatment.

I should also like to draw the attention of the House to one entry which the draft recommendation would not have in the health card but which the Committee on the Environment, Public Health and Consumer Protection proposes to insert. The proposed entry in the health card would indicate whether or not the holder was willing, in case of death, to make available for a transplant the following organs: heart, lungs, kidneys, retina, liver. I shall not dwell on this point at any length. However, speaking in a personal capacity, I feel that the thinking behind the proposed amendment is readily understandable and that the whole matter can be gone into in greater depth in the course



**Parodi**

of our debate, even if it is tangential to the actual objectives of the health card itself.

As rapporteur, it is my duty to call the attention of the House to the point made by the Committee on Legal Affairs and Citizens' Rights about whether the *recommendation* is the appropriate legal instrument for the introduction of the emergency health card. A *recommendation* has no binding force, which makes it one of the weakest instruments at the disposal of the Community legislator.

The existence of a model emergency health card will probably encourage Member States that would be already inclined to introduce a card of this kind to follow the format proposed, but it is not at all certain that a recommendation will prompt those Member States that would not otherwise have taken any action in this field to do so. The existence of a health card would undoubtedly have an encouraging and stimulating effect, but unfortunately we must also bear in mind that discriminations could be set up between Community citizens, since not all would have the same right to an emergency health card.

There are also certain ethical aspects to the whole problem of the health card. These were carefully considered in committee and led us all to decide unanimously that a health card must be requested and accepted on an entirely voluntary basis. Every citizen has the right to have his health problems dealt with in confidence. These personal matters can be divulged only with his consent.

This aspect of the matter was debated at length in all the EECs consultative committees. However, there are many problems that are quite considerable but that cannot be solved in this House. They must be left to the doctor's conscience.

Finally, there are a number of points that I should like to stress. First of all, there is the need to avoid invasions of privacy and any violation of medical secrecy. Then there is the need to recommend the introduction of a standardized system for compiling health records and the need to give the health card to people other than groups particularly at risk. Lastly, the second paragraph of the Commission's proposed recommendation should be reworded as follows:

the emergency health card drawn up in more than one language must not contain any medical file number.

For this reason, Amendment No 5 cannot be accepted.

This latter amendment is prompted by the need to draw up the health card in more than one language and by the fact that some Member States find it impossible to reveal the medical file number. With regard to Amendment No 4, this cannot be accepted since the structural position in regard to health services varies in the different Member States.

In conclusion, let me say that while the health card is primarily a means of conveying information, it will also give rise to major cultural and social benefits. While it is therefore only a small beginning, it may prove to be valuable in promoting the development and integration of the Member States.

(Applause)

**Mrs Van den Heuvel (S).** — (NL) Madam president, in 1980 our former colleague Mrs Krouwel-Vlam took the initiative on the subject of introducing a European health card, and I am delighted that this idea has now been taken over by the Commission in its proposal for a recommendation on the introduction of a European medical passport.

The need for such a document is clear when one bears in mind that every year millions of people cross the frontiers of our Member States as holiday-makers, students or workers. It is a fact that 10% of them suffer from illnesses that are serious or chronic or both, and for these the carrying of a medical passport containing all medical data of importance may literally be of vital importance. Often language problems and the lack of medical data have resulted in delays in treatment, in many cases with tragic consequences.

At the moment, this is a matter which may, perhaps, be relegated to those subjects that are of minor importance at the European level. But let us not forget that if we want to make it clear to the citizens of Europe that the Community is of great importance for their daily lives, here we have a good opportunity to do something.

The Socialist Group heartily supports this proposal even though, precisely because this is something readily comprehensible to ordinary people, we would have preferred the Commission to choose a binding instrument such as a directive or some other measure provided for in Article 235 of the EEC Treaty.

My group thus subscribes to the views of the Legal Affairs Committee as set out in its opinion. We are glad to see that the Committee on the Environment, Public Health and Consumer Protection has amended the Commission's proposal with regard to the availability of the passport. In our view, it is not necessary for it to be limited to those groups that are at risk: everyone who so wishes should be able to receive this document, and this means, we feel — and on this point we have tabled an amendment — that the cost of supplying the passport should be charged to the health insurance services. Only then will all who wish to do so be able to apply for a passport.

The insertion of a clause on the donation of organs we consider to be of particular importance. Knowing, as we do, that, for example, many patients have to wait for years for a kidney transplant, we trust that the

**Van den Heuvel**

Commission will take a favourable view of the Environment Committee's amendment. Remember, transplants should not only benefit those directly concerned: others, too, should also benefit. It is unacceptable that in the year 1984 we should tolerate the fact that people over 50 years of age suffering from kidney trouble should have to die because there is not enough money for a kidney machine. With more transplant resources available other people too might be helped.

The Socialist Group trusts that after the Council has — soon, we hope — adopted this proposal, the Commission will get down to work to make a success of this thoroughly practical idea.

**Mrs Banotti (PPE).** — Madam President, in common with all my colleagues of all the political groups, I welcome the recommendation of the Commission on the introduction of the European emergency health card. We hope to see the discussion on this card held by the Council of Ministers in December. This, as you are probably aware, is the first meeting of the Council of Health Ministers in six years. It is my fond hope that in the coming session of this Parliament we will address ourselves with the same passion to the health requirements of the citizens of this Community that we have already demonstrated over environmental issues. I hope we will address with equal passion the health issues of citizens in the coming years.

It is now three years since the introduction of the card was first discussed by the Parliament. We are living in times when an ever increasing number of people are travelling away from their own countries for work, study and recreation. This card, as Mrs Van Heuvel has stated, could also be called a medical passport. On the recommendation of the Commission it will provide vital medical information about those who carry it. As such it could be a life-saving document. Medical technology has become increasingly complex and as more and more new drugs and medication come on the market, the possible antagonistic reaction between drugs becomes a real potential danger for the patient. There is an ever-present danger that in the event of sudden illness or accident occurring while the patient is in a country where he neither speaks nor understands the language his life could be put at risk by the very people who are trying to help him. This card will not, indeed, carry more than the minimum important information about the bearer's medical history. But that can be enough to alert the medical staff to investigate further before they take certain procedures or administer certain drugs.

As a professional nurse myself I had the terrible experience of seeing a patient expire on being given a contra-indicated medication. This, Madam President, is a card for the living. And for that reason, amongst others, we do not support the amendment which calls for the addition of instructions for organ donation in the event of death. I do, however, of course, support

the campaign to encourage people to make this generous and far-seeing decision. Methods and procedures for the post mortem removal of organs for donation to others differ widely throughout the world. This could lead to unforeseen, distressing practical problems for the families of those who are unfortunate enough to die away from their home country. To the natural distress of the bereaved would be added the delays and difficulties inherent in the removal of organs for donation. In my opinion, provisions made by individuals within their own Member States for the donation of organs in the event of their death as far as this is ever practicable are adequate to ensure that their wishes are respected after their demise.

The main purpose, Madam President, of this card is to provide in as simple and straightforward a manner as possible vital medical information to ensure prompt attention in emergency, to where possible, avoid unnecessary possibly stressful and expensive medical tests or procedures and to ensure the added safety of those who carry it. For these reasons we all greatly welcome this and look forward in the very near future to seeing this recommendation implemented in all the Member States.

**Mrs Daly (ED).** — Madam President, my group too supports this report and hopes that the proposal for a Euro health card which could save lives in an emergency will be put into operation as soon as possible. Indeed, the health card was first proposed three years ago by the European Democratic Group because we believe that such a card could save the lives of people with a complicated medical history or specific medical needs who may be knocked unconscious in an accident or who may become ill in another EEC country and be unable to explain to a local doctor the special drugs or treatment they need. Often children travel unaccompanied from one Member State to another. This we feel would be a sensible precaution for them too. The card will be optional; no one's privacy will be invaded and medical secrecy will be preserved. It will give practical information which will ensure that whoever is injured or becomes ill will get the correct form of medical treatment wherever they are in Europe.

The card is designed for those at risk and would carry details of blood groups, special medicines or treatments needed and any necessary details of medical history. We must emphasize that it is a voluntary card. No one needs to carry it, though they would certainly be wise to do so.

We in this group do, however, believe that the Parodi report on the card has one major defect. For reasons best known to himself the rapporteur is recommending that the card should not carry the hospital medical file number. We believe this is clearly nonsensical and dangerous. Names are often pronounced quite differently from the way they are spelled. Try telephoning

**Daly**

Van Hemeldonck through from Palermo to another country and a lot of confusion could occur when putting a name across to a hospital from one country to another. A number we believe is far simpler. Personally, I could not care less if my privacy or that of my family is invaded in this matter so long as their lives are going to be saved. I urge you to support the Jackson amendment and the report so that we can get this card into operation as soon as possible.

*(Applause from the European Democratic Group)*

**Mr Richard, Member of the Commission.** — Madam President, the introduction of an emergency European health card was the subject in 1981 of an excellent report by Miss Hooper and of a very firm request from Parliament calling on the Commission to propose that the Member States adopt such a card to be used essentially by persons at risk who would ask for it.

Following on this request from the European Parliament, the Commission drew up a proposal for a recommendation to the Council relating to the adoption of the card in question. The Commission is gratified by the favourable response to its proposal from the Committee on the Environment, Public Health and Consumer Protection. It would also like to express its thanks in particular to Mr Parodi for his detailed and encouraging report.

The introduction of such a card will be of considerable advantage to persons suffering from serious or chronic afflictions who probably account for between 8 and 10% of the population and who may find themselves in need of rapid medical treatment and emergency attention. In addition, the introduction of such a card must be considered as a contribution, albeit a modest one, to the development of that citizens' Europe which was referred to at the European Council meeting in Fontainebleau on 25 and 26 June, and also to the realization of one of the important aims of the Community, namely, free movement across the frontiers of the Member States. I can tell Parliament that work is now proceeding in the Council working party on health to whom the Commission forwarded its proposal for a recommendation on 31 December 1983. Both during the discussions which took place in the parliamentary committee and in the remarks which appear in Mr Parodi's report, the Commission has noted a number of ideas and suggestions which it will certainly take into account in the course of subsequent discussions on the proposal in the Council.

May I comment very briefly on the amendments which have been tabled to this report since some of them seem to raise issues of substance. As far as Amendment No 1 is concerned, in the Commission's view it is unnecessary, since it is already included in the text. Secondly, as far as Amendment No 5 is concerned, we would, indeed, support what was said by Mrs Daly about the inclusion of a hospital medical file number

on the card. So far as the costs are concerned, we would view with sympathy what Mrs Van den Heuvel had to say and the amendment tabled in her name. As far as Amendment No 3 is concerned — giving donor's information on this emergency health card — it is not a matter which the Commission has strong views about though I think we would be inclined in this instance to say that it is a card which is meant to provide some emergency health cover. I am not entirely convinced that it is appropriate that that information should be included on the card, although, as I say, it is not something that we have very strong views about.

In conclusion, can I recall the remarks of Commissioner Narjes when the question of this European health card was discussed for the first time in the European Parliament. He said then that it would help to improve awareness of the Community. It would make it clear to the citizen that the Community is also concerned about his or her health. In the 1983 public opinion survey on the Community, health was placed — and this is an interesting fact — in first place by 58% of those questioned when asked what they considered was essential to their well-being. It is time, in the Commission's view, that the Community developed its activity in the area of public health, and the Commission remains grateful to Parliament for its constant support for Community action in this field.

**Mr Gaibisso (PPE).** — *(IT)* Madam President, I should like to make a point that seems to me very important. Right now, as can be seen from some of the reports that have been presented, we are bending over backwards to tell everyone else how the world might be made a better place. I would hope that this desire to do good springs from heartfelt convictions.

Nevertheless, Madam President, we cannot fail to notice many conspicuous absences from this House at this Friday morning sitting. There are empty benches, and people that should be speaking in the debates are not here. However, there is no lack of signatures on the attendance list!

**President.** — The debate is closed.

*Explanation of vote*

**Mr Roelants du Vivier (ARC).** — *(FR)* On behalf of my group I should like to say very rapidly that we are pleased that the amendment concerning the number on the card, i.e. the absence of any numbering of the medical file, has been adopted. I believe that it provides a guarantee of privacy for those citizens who will use this medical identity card.

*(Parliament adopted the resolution)<sup>1</sup>*

<sup>1</sup> The rapporteur was:  
— FOR Amendments Nos 1 to 3;  
— AGAINST Amendments Nos 4 and 5.

#### 4. *Action to combat poverty* (Commission Statement)

**President.** — As decided at the opening of the sitting, the next item is the Commission statement on action taken on Parliament's opinion on the programme to combat poverty.

**Mr Richard, Member of the Commission.** — Madam President, I am grateful to you for giving me an opportunity to speak to the House briefly on the question of the Commission's attitude to the Committee on Social Affairs and Employment's amendments to our proposals for a programme for action in the field of poverty.

As Mr Megahy pointed out on Monday, owing to the absence of Question Time and the customary Commission statement on action taken on the resolutions and opinions of Parliament, there would not have been an opportunity for the Commission to inform Parliament of its position before the meeting of the Council of Social Affairs Ministers which is to take place early next months.

Madam President, we debated the poverty programme in the October part-session. On that occasion I explained why the Commission could not accept Amendment No 6 and Amendment No 12. I went into some detail and I do not think that I need reiterate the points that I made then.

Regarding the other amendments tabled by the Committee on Social Affairs and Employment, I said that they were broadly in line with the Commission's approach. They were useful changes which we welcomed. I also indicated to the House that they closely reflected the position of the social affairs group of the Council. I am pleased to tell the House that in subsequent meetings of the social affairs group the Commission has made explicit efforts to pass on the committee's views and the terms of their amendments. I am informed by my services that the social affairs group of the Council has taken a positive attitude towards these amendments. I consider it fortunate that in spite of the severe time constraints under which both Parliament's Committee on Social Affairs and Employment and the Commission have been placed because of the urgent need to have definitive proposals to place before the Council of Ministers in December, we have nevertheless managed to ensure that Parliament's views have received proper consideration both by the Commission and by the Council.

**Mr Megahy (S).** — I just want to thank the Commissioner for that statement, which I take as a confirmation of the fact that, apart from the two specific amendments he mentioned, Amendments Nos 6 and 12, the other points made by Parliament have been

embodied by the Commission in its proposals to the Council.

**Mr Welsh (ED).** — Just so that there can be absolutely no doubt, Madam President, could we ask Commissioner Richard to confirm that, in view of what he said, the Commission will be formally submitting an amended proposal to the Council?

**Mr Richard, Member of the Commission.** — No, I cannot confirm that. I am told that there is not time to submit another formal proposal. What will happen is that when the matter comes before the Council meeting, the Commission will then seek at that stage to amend its proposal in the light of what Parliament has said and what I have just said.

**Mr Welsh (ED).** — In that case, Madam President, I would like to say to Commissioner Richard that while we appreciate his cooperation in this matter, I would serve notice on this Commission and its successor that on future occasions the Committee on Social Affairs and Employment will not permit a resolution to be voted until the Commission has made its point of view on the amendments absolutely and bindingly clear. I say in all friendliness and respect to Commissioner Richard that that was not the case on this particular occasion and that we shall not let it happen again.

**President.** — I should like to thank Mr Richard for the information he has kindly given us.<sup>1</sup>

#### 5. *The economic situation*

**President.** — The next item is the report by Mr von Bismarck, drawn up on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on,

the proposal from the Commission to the Council (Doc. 2-944/84 — COM(84) 587 final) for a decision adopting the annual report on the economic situation in the Community and laying down the economic policy guidelines for 1984 (Doc. 2-952/84)

**Mr von Bismarck (PPE), rapporteur.** — (DE) Madam President, ladies and gentlemen, looking round this Assembly, I am reminded of a remark by the famous General von Clausewitz who has left his mark on every country's military history. He said, 'It is an honour for me to serve the Fatherland and an especial honour to do so under humiliating circumstances.' I say this because we are debating a report which deals

<sup>1</sup> *Speaking time: see Minutes.*

von Bismarck

with the central questions of unemployment and social development and contains many observations deserving of our close attention.

On page 7, there is mention of a 'grotesque relation'. This needs correction, and unfortunately nothing has so far been done about it. Then there are a number of translator's errors. In particular, the expression *Nachfragemonopol* is falsely translated by 'monopoly' both in English and in French. Under a *Nachfragemonopol*, however, a sole buyer concentrates his demand upon a few suppliers and so keeps costs high, to the detriment of the public. This is what the postal and railway authorities do in every country: they allow, or recognize, national 'suppliers' but not others — to the detriment of the taxpayer, thus preventing the possibility of lowering, for example, railway fares for those less able to pay. That is what is meant by *Nachfragemonopol*, or monopoly of demand. I should be the last one to recommend the privatization of postal or railway services, but this, of course, is not properly understood if the term is not properly translated.

With regard to the amendments, I shall be as brief as possible. I offer my apologies to those who tabled the amendments, but I want to save time.

On behalf of my committee, I want to thank the Commission expressly for remaining true to the conception of a market economy contained in the Treaties. The aim embodied in the Treaties is not a market economy *tout court*, but one marked by a sense of social responsibility — characterized, that is to say, by effective competition which forces *entrepreneurs* to produce exactly what the consumer wants — the best quality for the lowest possible price, at the right time and in the requisite quantity. These are the conditions for an equitable market economy. Mrs Van Hemeldonck has tabled an amendment deleting the reference to this: in my view, she is mistaken.

We need, therefore, competition, without which a market economy cannot be socially equitable, and the second thing we need is a stable currency which will help to ensure that the poor are not expropriated and that the market economy functions properly. Under inflation, *entrepreneurs* always have a pretext for raising their prices; only when this is not the case is a market economy socially equitable.

Criticism must be made — though this does not concern the Commissioner who is with us today — of the pace at which this matter is dealt with. We regularly receive the Commission's report much too late. One result of this, on this occasion, was that the committee found itself completely unable to examine the first point of the report: the Commission's extremely long and carefully composed document could not be read in the time. There is an amendment designed to put this matter right, and I hope it will be adopted.

This annual report concentrates on unemployment, and I intend to do the same. Very laudably, the docu-

ment examines in great depth the numerous causes and their connections, and names them explicitly. Only after we have studied and digested it can we hope in future to bring together the consensus required for really helpful decisions.

Much can be gained from the comparison with another great economic region, the USA. What is being done there is, for us, in many respects unacceptable, but it offers a valuable lesson as regards not only the relation between labour costs and interest-rates on capital but also import fluctuations. If the Americans reduce their imports by 1%, that means for us 12 000 m ECU less in the ways of exports: a very important point! Further, we find that whereas the percentages of unemployed workers in America and Europe were equal in 1982, the figures have now sunk from 9.7% to 7.1% in the USA and risen from 9.4% to 11.5% here. Another important point concerns expenditure on capital per person employed, which has increased tremendously in Europe while remaining almost unchanged in America — that is to say, we use much more capital for every new job created than the Americans do. Moreover, the proportion between the numbers employed in industry (38.9 million) and in services (55.0 million) is much less favourable here than in the USA.

The Commission has examined the political reasons for unemployment: inflation; too little competition; the internal market is not working; policy towards the developing countries is not in order; the monetary system is not functioning. All this is true and in one respect must even be taken further: the remarks made about the monetary system seem to us inadequate. We have to arrive as soon as possible at a common currency. We must aim at setting up an autonomous bank which is out of the politicians' hands, which is morally bound to work for currency stability and does everything to protect this moral obligation from encroachments by the politicians, including all of us here, for otherwise a market economy cannot be socially equitable and the poorest strata of the population are expropriated. A reliable left-wing newspaper in the Federal Republic has reported that employees, pensioners and savers save 25 000 million DM when inflation goes down by 1%. This is another interesting point!

The Commission also, very creditably, raises, among other things, the question of the degree of responsibility of both sides of industry and makes it clear that unduly high wages, wage-increases exceeding the total increase in productivity, undoubtedly lead to further inflation, less investment and so to increased unemployment. It points to the connection between legislation establishing social benefits and the resulting increase in wage-bills and to the tendency of employers to avoid the risk of creating new jobs when they are obliged to undertake unduly heavy social liabilities. We also know that excessively heavy social liabilities favour the dangerous tendency for citizens — both

**von Bismarck**

wage-earners and self-employed persons — to resort to the black market. If today a skilled building worker costs us 50 Marks an hour while a neighbour is prepared to oblige by charging only 15 Marks an hour for the same work, we must not be surprised if everyone takes advantage of the situation. This is a situation that has to be taken more seriously than hitherto.

To sum up, whatever the politicians — we and others — do, however bad or good the general conditions we create are, the parties to any wage settlement cannot escape their ultimate responsibility for the part they play in establishing a sensible wage-policy — that is to say, one that serves the interests of both the employed and the unemployed. We must do everything we can to ensure that both employers who are tempted to take refuge in price-increases and trade-union officials inclined to push their demands too far — and both tendencies are frequent — take this responsibility to heart. Here we have to work for an agreement. We have to appreciate that this is an important point which cannot be left to the politicians alone. If too much is asked for, too little is invested, and there are all too many unemployed who have to suffer from this fact. Official relations are one thing: the real, ethical and human relationship between those that have work and those that have none is another. This is a subject we must not ignore, we must put it to the test of our conscience.

Mrs Van Hemeldonck has done us a great service by giving us an opportunity to achieve the necessary consensus. I think the most important thing we have to do here, in this Chamber, is to achieve a consensus on these two questions: the political one and the one concerning the responsibility of all parties to wage-settlements.

By doing this, Parliament will encourage those at lower levels who have to make the decisions to accept more responsibility, to feel personally more responsible, whether as employers or as employees, for the general wellbeing in every step they take. The more we here are united, the less time and money we shall waste in going down the wrong path instead of protecting employment and saving the poor from expropriation due to inflation.

We cannot do enough in this field. By achieving this consensus, we shall be taken the shortest road to a Europe that promotes the wellbeing of all. That is what I urge you to do in the vote shortly to be taken on this report.

*(Applause)*

IN THE CHAIR: MR PFLIMLIN

*President*

**Mr Ciancaglini (PPE).** — *(IT)* Mr President, ladies and gentlemen, I feel that the questions raised by Mr

von Bismarck in his report have a direct bearing on economic recovery in Europe and on the fight against unemployment.

It seems to me a downright disgrace that this Parliament should be debating this report with so few people in the House. The Rules of Procedure allow the number present to be checked only in the case of voting. I feel that there is something lacking here and I would urge the President to look into it. In any case, if this debate is to be continued, I would ask that the number of Members present be checked. It is only right that our citizens and the 13 million unemployed in Europe should know what this Parliament's attitude to them is.

**President.** — Mr Ciancaglini, we shall check later whether there is a quorum present.

**Mr Herman (PPE).** — *(FR)* Mr President, ladies and gentlemen, in its excellent report on the economic situation the Commission has simply confirmed what Parliament already noted during the debate on the Albert and Ball report, namely, that even if the revival takes root at international level, Europe will not be able to realize its growth potential without a qualitative leap in European economic policy: the integration of our monetary, market and industrial policies.

Although our diagnosis has proved accurate, we cannot, unfortunately, help noting that our recommendations have remained a dead letter at a time when there are 12 million — not 10 million — unemployed and when other countries are achieving drastic reductions in the number of unemployed, we have been embroiled for five years in a budgetary dispute over a derisory amount. This week we voted for a 29 thousand million ECU budget; the dispute between the Member States on this budget amounts to some 1 000 million ECU — 1 000 million/1 500 million ECU — and what then? Today, in a document which should be published, the Commission notes that the failure to complete European construction at the economic level alone is costing us 100 000 million ECU a year. We are losing 100 000 million ECU because we are not building Europe, because we are not following the recommendations which we voted and supported with a very large degree of unanimity.

It is not a question of making recommendations today to the Member States for reducing their deficit and sustaining income growth in a way which does not fuel inflation! That is good as far as it goes, but we know that that is not the real remedy. Of course the Member States today are applying policies which are not very popular and which consist simply of limiting the damage, but this policy will not bring about economic recovery, reduce unemployment, and enable Europe to catch up where the new technologies are concerned.

**Herman**

The problem, consequently, is simple; it is a political problem. It will not be possible to attain the goal which we are proclaiming whether we are on the right or on the left and which the Heads of State of all the countries, on the right as well as on the left, are proclaiming, until we have a change in the European institutions. As long as the Commission lacks the authority which it should have, and as long as the Council reaches decision by unanimous vote and as long as Parliament does not have a greater share in the Community's legislative power, there will be no European policy, which means, in other words, that national policies are doomed to failure.

If economic and logical arguments are not enough, perhaps we should appeal to the instinct for survival of those who govern the Member States, for what else can we do? We can only note that since the elections and since the crisis began the governments in power have been regularly replaced by the opposition and that the opposition has not done any better and has sometimes even done worse than the government it replaced!

If the politicians in power today in the Member States wish to remain in power, they will, perhaps, appreciate this argument, namely that they must build up Europe, that they cannot continue to promise the people that they are going gradually to eliminate unemployment and at the same time remain fixed in their narrow nationalist positions which are opposed to all European economic policy.

This is the message which we should proclaim today. Congratulations to the Commission for the excellent analyses it has produced, but what is really needed is political will, and this means in particular pushing forward where Europe is concerned.

In conclusion let me turn to my British friends. They are the ones who, most of all, stand in the way of building Europe into a political union. There are many reasons for this attitude, but one should be able, nonetheless, to appeal to their highly developed realism. They are, we say, pragmatists. Today all the facts prove that it is wrong to refuse to construct Europe! We need to commit ourselves more deeply to European political construction. If we fail to do so we will remain where we are, in misery and despair.

*(Applause)*

**Mrs Van Hemeldonck (S).** — (NL) Mr President, I notice that the last speaker not only spoke before his turn but also did not hold to the agreement. Now, we Socialists will stick to the agreement on reduced speaking time because we cannot judge this report in three or even ten minutes. I would need more than ten minutes simply to read out the amendments that we Members of the Socialist Group have tabled.

Mr President, we have serious objections and criticisms concerning the Commission document but obviously even more serious objections to the text tabled by the rapporteur. As regards the Commission document, we think that the assessment of the situation is really quite inadequate and that in particular the models of causality outlined are inaccurate.

The Commission passes a little too quickly, for instance, over the consequences of the unstable relationship between the European currencies and the dollar and their impact on the European economy. And we believe that the Commission must request the Council to open direct negotiations with the American authorities precisely with a view to limiting the consequences of American monetary policy for our own economies.

With regard to the causes of increasing unemployment, I also think that the Commission document has passed a little too quickly over the role that the major multinationals have played in exporting employment opportunities in Europe to other countries, and chiefly to low-wage countries or countries where trade-union rights are not protected. Furthermore, it is our impression that the structural causes of inflation have received very little attention.

Regarding the document by Mr von Bismarck I would say this, 'Tout ce qui est excessif est insignifiant' and it is for just this reason that we do not attach much importance to this report: it is a reflection of ill-humour rather than a sound economic analysis.

We have emphasized that a social consensus is needed covering both the aims and the method of implementation of economic policy and that the workers must be the first to be involved. When we say social consensus we mean that the workers must be informed and consulted in all matters of policy and that a major democratization both of private firms and of the public sector is necessary.

Unemployment can only be successfully fought if a number of important measures are taken. Measures to bring about economic recovery, measures for the restructuring of industry, measures for redistribution of resources. And one of the elements of redistribution remains, in our view, the reduction of working hours. If one is talking about flexibility, then we agree with it as long as flexibility means retraining and further training for workers, adapting working methods to the conditions in which workers live and work, and not phasing out social security.

Mr President, I shall leave the matter there. We have our long amendments to get through. Their aim is radically to reshape the von Bismarck report.

**Mr Patterson (ED).** — First of all, two complaints and two compliments. The first complaint is that we

**Patterson**

are having this debate on future economic policy for Europe at this particular time. My second complaint, like Mr Bismarck's, is that the Commission document was available so late that we could not even have a proper discussion in committee.

The two compliments: first, to Mr Bismarck for his report, which is an excellent one, for which we will vote. And, secondly, to the Commission document, which I also think is an excellent one — quite in contradiction with what has just been said. There are two particular reasons why it is an excellent document. First of all because it reflects, and can be seen to reflect, much of what has been voted for in this Parliament in the past. You can detect a thread which runs from the Albert and Ball report through to Mr Herman's report in the last Parliament to the Commission document and now to the Bismarck report. It is very good to know that we are all on the same side.

The second reason I am particularly glad is that this Commission document provides a vindication of the so-called monetarist policies of the British Government. I quote from that report: they talk about 'expected positive employment growth — jobs for the workers in 1983/85'. Two countries, and only two countries, expect positive employment growth: the United Kingdom and Denmark. What do those two countries happen to have in common? They both have Conservative Prime Ministers. As I say, it is a vindication of the policies of my government, and that of the Danish Government, that to produce economic growth and jobs, inflation must be controlled by controlling public borrowing. That Commission document is a detailed analysis showing that that is the correct policy.

What about the general situation? First of all, we have to realize that the future of the European economy is much dependent on what happens in the United States and what is going to happen to the United States' budget deficit and what is going to happen to the dollar. I notice that the Commission says that the dollar will depreciate. Well we shall see, Mr Commissioner — quite a lot depends on it.

Secondly, and here I want to address Mr Herman particularly — and Mr Bismarck's report makes this point — we really must have a coordinated economic policy within the European Community. The Commission says there's more convergent country-by-country performance. I agree with that, and so does my group — and so, indeed does my government — because we signed a treaty and that treaty actually says that there shall be a coordination of economic policies. I think that, in view of what the Commission document has said about those convergent policies, that is already happening.

Very briefly, what should those policies be? I think that the 16-point plan put forward by the Commission can hardly be faulted. It points out that the main

drawbacks in the European economy lie on the supply side, and we need to improve supply conditions in all markets to produce a 2½ to 3% growth rate. Particularly we need to look at the supply side in the labour market. How is it that the United States has created jobs? Well, it has done so by having a much more flexible labour market. We have three points in the Commission text to which I want to draw particular attention. One is the growing disjunction in Europe between the cost of labour to the employer and the post-tax income of employees which are growing further and further apart. Secondly, the lack of relation of incomes to performance. In Japan the Commission points out that 30% of incomes are related to performance, and in Europe hardly at all. We must also reduce the regulations and red tape which constrict the labour market and actually stop employers taking on workers. Finally, we must reduce public expenditure by 1% per annum, as the Commission suggests, and shift it from current to capital spending. We must also, as the Commission suggests, reduce taxes by 1% of GDP per annum.

Those are the sort of things which I think my government and the Danish Government have been doing, as recognized by the Commission, and I look forward to the rest of the European Community following our example. Mr President, I support the Bismarck report.

**Mr Bonaccini (COM).** — (IT) Mr President, I should like to add my voice to all the complaints that have been made about the way in which it has not been possible to discuss the documents submitted by the Commission, because they were forwarded too late. This time, moreover, they contain a new element, namely, a new relationship, quite unlike the traditional one, between short-term aid and medium-term hypotheses. It is really a shame that this could not have been gone into in greater depth. I hope that this can be done at a future time when these questions are tackled in a more practical manner.

This being the case, it is clear that we ought to be grateful to Mr von Bismarck for taking on such a difficult job. We find ourselves constrained, however, to be somewhat less grateful to him, if I may say so, for the content of the report, not only because we look at many questions from a different viewpoint but also because his reports does not include certain elements that are essential in considering Europe's economic policy. Thus there is no mention of industrial policy and of the things that are being proposed in this field. In particular some emphasis on innovation and restructuring would not have gone amiss. There is no mention of investment policy, except for a brief general reference, a hope expressed, in paragraph 3. However, something else is needed in the present circumstances, if we bear in mind the Albert/Ball report to which Mr Herman has rightly referred just now.

This is why it seems to us, taking it all in all, that a final document has been produced which does not



**Bonaccini**

outline an active policy either to promote economic recovery or to step up the struggle against unemployment. As things stand at present, it is precisely in these two areas that we need something worthwhile if we do not want to remain at a standstill. I shall stop at that and hope that thus we can recover some of the time spent on some previous speeches that were a little too long.

**Mrs Tove Nielsen (L).** — (DA) Mr President, on the whole the Liberal Group agrees with the content of the Commission's annual report on the economic situation, but like the previous speakers we naturally regret that we had all too little time in which to consider it in depth. This should be seen as a request to the new Commission to come up in good time with the next annual report.

We are pleased that Mr von Bismarck has reacted so quickly, but we are naturally unhappy with our working conditions today. I shall therefore use the short time I have to concentrate on just a few points that Mr von Bismarck also raised in his report.

If we are to create the economic recovery which the great majority of Members on many occasions have said they would like to see, then it is vital to concentrate on quite specific areas. There is no doubt that with the heavy costs each individual job in Europe entails, it will be much more difficult to create the many new jobs needed if we are to hold our own in the world. We must get our costs down, we must make our jobs cheaper in order to be able to create more jobs. It is also in this way that we can solve the unemployment problem. This has also been demonstrated outside Europe — in the USA and Japan, to be precise. But we Liberals insist that something more must be done, something that is especially important. We must ensure that we do not just retrain people to meet the new demands of the technological age, but we must also encourage them to embark on quite different sorts of training from those we have considered hitherto. Otherwise we shall fall even further behind than we are at the moment. It is no small task to instruct our young people in what is needed in the technological age, and I am quite sure that many young people are in fact eager to embark on new technical training. But very often an extra shove is needed to get them started on non-traditional training. We therefore think it is important that people should receive the new training that is needed and that the jobs thus created should be at an economic level such that firms can cope with the demand.

My final point concerns the many small and medium-sized undertakings which are faced with such severe problems today. It is with this whole great sector that the future lies because it is here first and foremost that the many new jobs will have to be created. We must therefore ensure that the internal market functions effectively so that we may remove the obstacles which

are now causing numerous difficulties and which affect most of all the small and medium-sized undertakings. Using the new technologies we need to produce new products that will make us competitive on the world market, and this, in fact, is something that the small and medium-sized firms can do. But they need our help in their everyday activities. If we concentrate on these areas we should also be doing a lot to help bring about the economic recovery which we all so badly need.

Mr President, a lot more could be said on this subject but my time has run out. The Liberal Group will vote for the von Bismarck report.

**Mr Christensen (ARC).** — (DA) Mr President, the report we are discussing rests on the illusion that the Community can solve its economic and employment problems through centralized control. Our view is that the individual countries themselves should decide their own economic and social policies and cooperate freely and openly with one another on issues of common interest. The less centralized and bureaucratic intervention there is in Member States' affairs, the better. The outstanding way in which, for example, the other northern countries — Austria and Switzerland — have dealt with their problems is proof that it can be done. The greater the number of independent politico-economic control centres each individual country has, the better it can solve these problems.

Consequently we cannot approve the thinking behind this report, nor that the Community should lay down guidelines for the different countries' economic policy, even going so far indeed as to intervene vigorously in labour market arrangements. We also consider it absurd at Community level to attempt to reach agreement on the causes of inflation and unemployment and to lay down guidelines accordingly. What this report boils down to is a one-sided focussing on incomes policy and public savings together with the establishment of an EEC central bank. The only areas where there is not free competition are the arms industries and the post office and railways sectors. There is not a single word about other monopolies, still less about the influence of collectively created unearned profits on inflation, investment and interest and income distribution policy. There is very little mention of the commercial policy despite the fact that it should be central to the Community.

I should like, Mr President, to ask the Commission the following question: What is the specific objective in statistical terms laid down for the Member States? I am thinking here of public expenditure, economic growth, the reduction of debts, employment developments, wage settlements, etc. It has not been possible for us in the people's movement against the EEC to obtain this information and I hope it will be forthcoming from the Commission.

**Mr Ulburghs (NI).** — (NL) Mr President, if in Europe competition is held up as the highest form of human cooperation and the aim is that this Europe should educate its youth to fit into the competitive system as perfectly as possible, then I must say that this certainly is not my own view, and therefore I do not agree with Mr von Bismarck who would like to see competition as the underlying principle of his report. How often have we heard the old refrain, repeated once again in paragraph 1: '... to create the basis for increased economic competitiveness and thus, [according to the report, at any rate!] for a marked reduction in unemployment'. This last result, it seems to me, is anything but an obvious consequence of greater competitiveness.

I should like to pose a few questions. First: will competition and the introduction of new technologies by themselves be enough

- (a) to reduce unemployment and
- (b) to abolish hunger in the world?

According to Mr von Bismarck they will, by opening up new markets. But who are going to buy the new products? The millions of Americans in Mr Reagan's competitive paradise who have fallen below the poverty line or the common man in Europe? Not according to Mr von Bismarck, who thinks that workers' incomes must be looked at more closely and that wage costs in particular are an important consideration for undertakings.

How can the home market in Europe ever be made a reality when a policy to dismantle social security and to impose a crisis levy in the name of competition are advocated, though in practice this has been done for a long time already?

Second: in this report before the European Parliament how can such crude and unthinking declarations of faith be bandied around? To take just one example, and I quote: 'Unless competition functions fully, a market economy cannot be socially beneficial'. No, Mr von Bismarck, more than anything else it is a social Europe that will be a historic beacon for the world. The economy's objectives — and young people can be given the social motivation to use their initiative to those ends — should be aligned with the needs of the poorest and designed to meet the true requirements of self-sufficiency.

Below are just a few methods that could usefully be used:

1. Economic decentralization;
2. Assistance to small and medium-sized undertakings, cooperatives, small-scale projects;
3. European economic autonomy;
4. A greater role for the ECU;

5. Employment in the fourth sector, i.e. the social and welfare sector; and, lastly, shorter working hours.

Mr von Bismarck thinks that too much effort has gone into subsidizing outmoded technologies. I live in Limburg, Belgium's coalmining region. For many years now people have been pontificating about the need to train workers for new industrial tasks and the phasing out of work in the coalmines. But all this has remained at the level of airy statements. And if we go back to the 1970s we see that many foreign firms have shut down. Since then the threat of closure has grown steadily. No, we refuse to buy a pig in a poke. First we must arrange for new employment before there is any question of breaking with what we already have.

One final observation, Mr President. I am very much against Amendment No 25 in which a link is suggested between immigration and an increase in unemployment. We really must put an end to this tendency we have of making the victims of the crisis, the migrant workers, carry the blame for this crisis. I say No to a Europe that makes migrant workers the scapegoats. And Yes to a fair Europe with work for everyone.

**Mr Falconer (S).** — Mr President, it will not be strange to Mr Patterson that we shall be voting against the von Bismarck report, because it is exactly the medicine that has been fed to our people in Britain since 1979. During the 2 000 Tory days that have elapsed since that time, two million people have been added to the dole queues — officially nearly 1 000 people per day, or, if the Conservatives had not fiddled the figures, something like 1 300 per day. As for investments since 1979, 47 billion pounds — 47 billion pounds — has left the United Kingdom.

Our industry has been deprived of something like 23.5 million pounds for every day of Mrs Thatcher's government. Fifty-two thousand companies have gone bankrupt under the Tories — 26 companies a day — many of them the small industries which Mr von Bismarck refers to and which the other side of this Assembly are so often itemizing. Eight million people are now in poverty in Britain. Since 1979, three million have been added to the list — an average of 1 500 for every day of Mrs Thatcher's 2 000 days.

Mr von Bismarck's report and the Commission's document make reference to realistic wage statements. I would inform both parties that since 1979 my constituents and member of my union, the Transport and General Workers' Union, have consistently accepted what are, in effect, wage cuts, and since 1960 in my country there has been some form of income control over workers with no increase in investment from the owners of capital. What magic formula is introduced in this report to ensure that such investment will occur? There is none.

**Falconer**

Whilst the Conservatives talk about good housekeeping as making good business sense, we in the Labour Party will put those words into practice. No sane person would allow money being earned in a household to flow out of the house at the expense of its owners and occupants. We will institute financial controls on the owners of capital in order to ensure that the investments made by our workers are maintained in their house. If that puts us in breach of the Treaties, then so be it. For this political party was founded, not to maintain the *status quo*, but to break it.

Unemployment does get a reference in the von Bismarck report. He says: 'Unemployment, which is far too high, must continue.' This is a report which is in front of this Assembly: I am not surprised the Chamber is empty. We in the Labour Group, one that has increased its representation at the expense of the authors of such policies as are contained in this report, were not sent here to listen to these words of despair. No, we were sent to give hope to our people, to remove the burdens of unemployment and poverty that are being forced on our people. In short, to give hope where there is none and give light where there is darkness.

There must be firm proposals to extend our people's democratic rights, to involve them in the complete decision-making process, including the investment plans of the owners of capital, for the crisis that has faced us demands these rights. That crisis is the changing face of industry in the Western world. As for the plight of the Third World, instead of investing capital there to exploit it further, we should be looking at ways of investing the knowledge and skills of our craftsmen in order to build the roads and facilities that those poor people need.

In conclusion, can I say to the colleague over there, yes, there is a need for dams and irrigation, we have the skills required and we should send them there in order to sustain life in that part of the world. This report makes no reference to that. The increased representation of the Labour Party is proof, if proof were required, of the fact that our people have seen the new world as indicated in the von Bismarck report and have rejected it as a false world and not theirs.

*(Applause from the Socialist benches)*

**Mr Mühlen (PPE).** — (FR) Mr President, although I would have also wished to deal with other aspects of the subject on the agenda, the small amount of time available to me obliges me to confine myself to specific comments on the economic trend in the United States and the impact on the European economies of monetary relations with that country. Anyone who wishes to make economic predictions must begin by studying the American firmament.

With regard to the first point, one has to recognize that the signs of a revival are becoming more numer-

ous and stronger. We have every reason to hope that the revival in the United States will strengthen and not turn out to be simply a flash in the pan. The second and equally important condition is the maintenance of more stable exchange relations between Community currencies and the American dollar and a more favourable trend in interest rates, the level of which is, unfortunately, largely determined by rates in the United States, although the strengthening of the dollar on the exchange markets has itself had a beneficial effect by helping to stimulate exports to the United States.

Europe ultimately has nothing to gain from a strengthening or a weakening of the dollar rate and, in my opinion, it is a mistake to ask whether we should like to see a weak or a strong dollar or, conversely, a weak or strong ECU *vis-à-vis* the dollar. In fact, the instability of the dollar creates insecurity which does not benefit exchange trends, not is it likely to accelerate economic recovery in Europe.

In particular, do not forget in this context that we know that if the trend in the dollar were reversed, the drop in its rate would stimulate investors to back the Deutschmark which in turn would lead, as it did in the past, to a deterioration in the exchange rate of currencies regarded as weak with all the consequences which that would have for the European monetary system.

I will draw two conclusions from this, Mr President. First, the European monetary system should aim at strengthening its position *vis-à-vis* other currencies which, as the rapporteur, Mr von Bismarck, pointed out inevitably raises the question of its institutionalization. It is much better to act calmly today, than to wait until we are forced to apply hasty therapy. In other words, I can see no way of dodging the second stage nor the subsequent stages in the European monetary system. I therefore call on the Commission to use its authority to remind the governments of their undertakings at Bremen.

Finally, I must say that I am in no way reassured by the statement that the EEC has succeeded in breaking the link between interest rates in Europe and in the United States. On the contrary, I accept that this break, at a time when the rate of indebtedness in the United States is extremely high, means also accepting that European capital will continue to be diverted from productive employment in Europe in investment in the United States, or more precisely in Treasury Bonds.

All these are reasons for bringing about monetary union and which make it necessary for us to try and work together with the United States on monetary measures which are clearly in the interests of both parties. Both these points have been dealt with in the excellent report of our rapporteur, Mr von Bismarck, to whose conclusions I fully subscribe.

**Mr Cassidy (ED).** — Mr President, first of all I must join those who congratulate Mr von Bismarck on his excellent report which I shall be voting for along with my colleagues. As you know, there is an amendment down in the name of the European Democratic Group to Mr von Bismarck's report drawing attention to an omission from the Commission's annual economic report where they spend some time on the question of the reduction and reorganization of working time. My colleagues and I felt that the Commission had, perhaps, not drawn the right conclusions from the reduction and reorganization of working time experiments which have taken place in other countries, in particular those that have been reported on in the Alber and Ball report towards European economic recovery in the 1980s. Alber and Ball make the point that the two developed countries with the lowest unemployment rates, Japan and Switzerland, are those where actual working hours are also the longest. They also go on to point out that the national policies to reduce working hours that have been implemented so far have generally failed. So the purpose of my amendment, Mr President, which we shall be voting on later was to draw attention to that aspect of the reduction and reorganization of working time but also to draw attention to the fact — and I am again quoting from Alber and Ball — that justifying work-sharing is easy; gaining general acceptance for income-sharing is harder.

Mr President, I see that I have a little bit of time in hand and I would just like to deal very briefly with one point raised by my colleague on the centre right, Mr Herman, who seems to blame the United Kingdom for the failure to proceed towards a political union. The problems of Europe are not that we failed to achieve political union. They are that we failed to achieve, so far, economic union.

**Mr Romeos (F).** — (GR) Mr President, the central point of the report and its presentation is supposed to be the guidelines for economic policy in 1985, with the aim of stabilizing the economies of Member States and achieving convergence in the long term. The rigid anti-inflationary recommendations of the report, aimed at increasing investment and productivity by reducing wages and increasing profits, are unacceptable to us because we believe that they lead many countries, such as Greece, to precisely the opposite results. The ultimate consequence of such measures is to reduce production and employment, since the problems of inflation and unemployment in those countries do not stem from the wage-profit ratio, but from structural causes.

As for the long-term aim of convergence, I would like to point out that economic policies cannot be decided on the basis of uniform criteria when there are in the Community so many differentials of a structural, but also productivity-related nature, between the Community's more and less well developed members.

These differentials create unequal conditions of participation for the various regions in the Community, against the background of a uniform internal market and free competition. The result will be not just failure to achieve the desired aim of economic convergence, but indeed an even greater extension of inequalities. In the long term this will prove to be an inhibiting factor for the development even of the developed countries in the Community. It is strange that the report itself, and its presentation here, make no mention of support for the regional and structural policies which alone can make it possible for the Community's less well developed countries on the one hand to take part in the process of recovery, and, on the other, to benefit from its results. These policies should be given priority, not only in the countries in question, but throughout the Community. Prospective enlargement increases the importance of the matter. The issue of a two-speed or variable geometry Europe becomes a central problem of the Community to the extent that the whole of southern Europe, a region with structural weaknesses, is becoming part of the Community. Besides, and this is very important, the less well developed southern European regions of the Community will be those where most of the burden of enlargement will fall.

Mr President, Parliament has repeatedly expressed its interest in the need to promote the Community's regional policy. I think the time has come to confirm that interest yet again, and that is the purpose of the amendments I have tabled, and which I believe will be adopted.

**Mr de Courcy Ling (ED).** — Mr President, I am rather sorry that Mr Herman is still not here because he put forward a very important idea, namely that political union should provide the context for economic integration. It is an extremely interesting idea. He is one of the representatives on the Dooce Committee on institutional reform, and if he had been here I would have said to him at greater length than I now shall say, that we ought in this Parliament to consider whether the Dooce Committee on institutional reform — which is extremely important and which has not received much public ventilation — really ought to be allowed to report to the European Council on 2 and 3 December as thereafter the matter would certainly die. I believe that this whole question of institutional reform should be kept permanently on the agenda of successive presidencies, and I shall be writing formally to the representatives on the Dooce Committee, including our own Mr Malcolm Rifkind, urging that this matter should be carried forward to the Italian presidency and thereafter to subsequent presidencies. Apart from anything else, it is actually premature to take a decision on institutional reform before the accession of Spain and Portugal. That is simply a remark which I must admit is not very closely related to the Bismarck report or the Commission's annual economic report. I would not have dared to mention it

### de Courcy Ling

had it not been for Mr Herman's very important and interesting statement on the matter. It is quite a serious misunderstanding on his part for him simply to say that his British colleagues are blocking political union. The situation is rather more complex than that.

On the Bismarck report, I should like to thank him for accepting in paragraph 17 the statement that the Community needs to encourage the development of the ECU as an alternative reserve currency to the US dollar. For me the most encouraging section of the Commission's annual economic report is on pages 38 and 39 which draws attention to the fact that the European Monetary System has achieved, among other things, a *conjuncture*, a coincidence in the money supply targets and achievements of the Bank of France and the *Bundesbank* in the area of 5%. This seems to me to be a very remarkable achievement by the European Monetary System and it is one on which I think that we need urgently to build.

There is a problem about the European attitude to the US dollar and to the US economy. There is a sort of state of dollar sycophancy which I think has served us ill in the post-war years. It seems to me that the situation of the dollar is, in particular, complicated by the enormous amount of United States dollars which constitute the Third World debt. I should like to quote from Professor Pearce of Southampton University. In his recent publication *The Incredible Euro-dollar* he says that recent surveys suggest that about 120 billion dollars of Third World debt might be due for repayment every day — 120 000 million dollars — and against this the 500 million a day of the US budget deficit pales into insignificance. So the need to find 120 billion dollars a day could easily explain the 200 billion dollars a day for inter-bank transactions which are not required for commercial purposes. So that Third World debt is clearly a major cause of the present state of the United States dollar and, therefore, I hope that we in the Community will consider the use of the ECU as a reserve currency which will play its part in the long-term rescheduling of Third World debt which is certainly a very urgent priority for all of us and that with this in mind . . .

*(The President urged the speaker to conclude)*

I do apologize but I have been dealing with some important matters, as you will understand. With this in mind, I do appeal to national interests such as the *Bundesbank*, and in particular to the President of the *Bundesbank*, to take a rather more enlightened attitude on the development of the ECU as a reserve currency.

*(Applause)*

**Mr Falconer (S).** — On a point of order, Mr President. On several occasions Members on the other side of the Chamber have overstepped the rule laid down by the Chair to which you made reference earlier on. I

would remind the President that on previous occasions he has taken the Green comrades to task when they were in breach of that ruling. Will he now do the same with the other side of the House? What happened with the last speaker was nothing but a breach of the rule laid down by the Chair.

**President.** — Mr Falconer, might I just point out that since taking the Chair today, I have only once told a speaker that he had exceeded his speaking time, and that was to Mr de Courcy Ling just a moment ago.

I made no such remark to any other speaker.

**Mr Raftery (PPE).** — Mr President, like previous speakers I would like to compliment Mr von Bismarck on his report and to say how sad it is that we are speaking to an empty House here this morning when we are discussing the most important matters of the week. As far as I am concerned, it certainly calls into question the sincerity of all those who shout so much about unemployment.

Mr President, as a new Member of this Chamber, it is very obvious to me that Europe has many crises. It has a crisis of unemployment with 12 million unemployed, and that figure is rising all the time. It has a crisis in industry exemplified by the fact that last year, for the first time in the history of Europe, we imported more cars than we exported. Last year we imported roughly 8 out of every 10 personal computers sold and roughly 9 out of every 10 video recorders sold. Clearly we are losing out heavily, particularly to the United States and Japan.

However, I think that the major crisis we have in Europe today is one of leadership. When our leaders should be doing something to implement the recommendations of the Albert/Ball report, they sit and fight about sums of money which, as Mr Herman pointed out, are trivial. They argue for months about prices and quotas, and all the time the steps we should be taking to revive the economy are not being taken. To me it is somewhat like Nero fiddling while Rome burned.

We must get back to the recommendations of the Albert/Ball report to open up the market and create a genuine common market in Europe. How, I ask you, could the United States economy work if they had border controls between every two states, were dipping the diesel tanks of every truck and had mountains of red tape? How could it operate if it had 10 different currencies?

*(Interruption from Mr Cryer)*

Excuse me, Mr Cryer, I did not interfere with you. Your name befits you. You are usually crying about something.

*(Laughter)*

### Raftery

How could it operate with 10 different currencies which are fluctuating from day to day? It is like trying to run a business with fluctuating weights and measures.

These are the issues with which our leaders should be dealing, but we do not seem to have the leadership to grapple with them. We have too many nationalistic approaches to our problems. Many other mistakes were pointed out in the Albert/Ball report, and I think it is time our leaders looked at them. Certainly, mistakes were made after the 1973 crisis when we decided to maintain or even improve our standard of living while our output was falling. As a result our taxes have now gone so high that they are a disincentive to saving, to working and to investing.

I call on the leaders of our Community to have the courage to take these matters in hand and to implement the recommendations of the Albert/Ball report.

*(Applause from the centre)*

**Mr Alavanos (COM).** — (GR). Mr President, I shall not take up a great deal of time because in my opinion the annual economic report for 1984-1985 is not worth discussing. We believe it is an unacceptable document inspired by Thatcherism, and our colleague Mr Falconer indicated the way in which the policies outlined by the Commission, and which it is trying to impose at Community level, are being implemented and what specific results they are likely to have.

So far as Greece in particular is concerned, I would however like to stress that this report must be seen as a brazen attempt to impose a policy of austerity in view of the specific call for its demands to be implemented by the Greek Government. It calls for abolition of automatic index-linked adjustments; for the implementation of a particularly restrictive policy on wages during 1985; for higher charges by public utility services and adjustment of such public charges to reduce the level of subsidies; for new preferential grants to major capital to stimulate private investment by favouring, in particular, re-equilibrium in the monetary and economic positions of companies. We can only condemn this ultimatum of anti-labour austerity by the Commission.

The Greek Government, of course, through the Minister for the National Economy Mr Arsenis, has declared that it does not accept the Commission's recipe because — as the Minister explained — it expresses the conservative view of the International Monetary Fund. However, we think it is not enough for this recipe to be locked away in a drawer when the policies embodying such austerity are daily reflected in the EEC policies that are implemented in Greece as well. The Greek Government must therefore take practical, immediate and substantial measures against the EEC.

**Mr Cryer (S).** — Mr President, on a point of order, does Rule 61, which states that all documents of Parliament shall be drawn up in the official languages, apply to committee meetings? I am not asking you to make a ruling now, but I should be grateful if you would refer this to the enlarged Bureau.

I am making this point specifically in relation to the Commission document which has been discussed this morning. Several speakers have referred to the unsatisfactory nature of the procedure whereby this document was not made available until the day of the committee meeting. It was only made available in English — no other translation was available. Therefore, those Members who did not have a command of written English were simply unable to take part in the debate. Indeed, several Members walked out.

It is very important, in my view, that if committees are going to make a sensible comment on a document, whatever its merits, it must be translated. The Commission must be made clearly aware of that requirement, because it could be argued — and I argued in the committee — that the Commission was deliberately late in supplying the document and deliberately omitted to supply translations in order to bounce the committee into acceptance of it. That is only a supposition. However, if the Assembly lays down very clearly that all documents must be considered as being before this Assembly, even though they are being dealt with in committee, and thus Rule 61 applies, then all bodies submitting documents to the committees of the Assembly must have been translated.

*(Interruption: This is a Parliament, not an Assembly!)*

It is part of the propaganda to call it a Parliament, and sometimes that propaganda is successful. Nevertheless, it is a Consultative Assembly, and in the process of that consultation it is very important that everybody should have the right to examine documents and to take part in the discussion.

Mr President, I hope you rule that Rule 61 applies fully and comprehensively to committee meetings of the Assembly.

**President.** — This is a question that obviously concerns the Commission. It was within the Commission that the documents were not distributed in all the languages. The Assembly, for its part, has the documents in all the languages.

**Mr Richard, Member of the Commission.** — Mr President, may I deal with Mr Cryer's complaint first? It was refreshing to hear a complaint that documents were not available in certain languages being delivered by somebody in whose language the document actually was available. It is usually the other way round,

**Richard**

but I am delighted to know Mr Cryer is as catholic in his complaints as that!

*(Laughter)*

May I just make one point of fact. As I understand it, documents were available both in English and in French, so Mr Cryer could at least have read it in French if he had wished. That is what I am told by the people behind me.

*(Laughter)*

I say at the outset that I think Mr Cryer has a point. I am quite serious about this. There has been a delay. The delay is not entirely of the Commission's own making. Insofar as it is of the Commission's own making, it was due to the fact that the document should have passed through the Commission on a certain date in, I think, October. Unfortunately, discussion within the Commission was somewhat more protracted, and, having regard to the nature of the document, I would have thought that honourable Members would fully have appreciated why discussion in the Commission was perhaps more protracted than it might otherwise have been. Therefore, the document left the Commission, it is perfectly true, somewhat later than we had originally intended.

I also have to say this, though. The squeeze in the timetable — and the squeeze was on all the institutions, not just on Parliament — was partly due to the fact that the Council in December is to meet before Parliament's part-session in December. Now that, in effect, lost a whole month of parliamentary time. In the normal course of events, although the Commission had taken certain additional time looking at the document, it would have reached Parliament in time for a discussion at the December part-session and then have gone to the Council after that. So, unfortunately, I do have to make the point that the Council's scheduling of their discussion is to a certain extent responsible for the difficulties Parliament has found itself in. What the Commission will do is to ask the Council yet again to make sure that it coordinates better its timetable with the timetable of Parliament. That would obviously help a lot in trying to avoid this problem in the future. But Mr Cryer and those other parliamentarians this morning who have made this point, have, I think, a point, it is a point we take insofar as we are responsible for it. I can only say that it was due to the necessity that the document should have full and detailed discussion inside the Commission before it left it.

I find myself at this stage in some little difficulty in answering this debate. I can do one of two things. I can either answer it in great detail or I can deal with the points of detail raised in the individual amendments. Given the hour, given the day, what I propose to do is not go into what is contained in the report, because I am sure that all the honourable gentlemen and ladies who are here today at least will have read

the report in one language or another by now and that, therefore, for me merely to reiterate what is in the report would, I think, be a waste of parliamentary time. What I would like to do is to concentrate on some of the amendments.

On the majority of the amendments I am not going to comment, either because the Commission broadly approves or because we have minor reservations which don't require that I take the House's time. On six, however, I would like to comment. Amendment No 5 by Mr De Gucht would delete language about the break-up of monopolies. I say right at the outset that I support that deletion. The rapporteur's text would imply changing the Treaty's definition of the Commission's powers to deal with competition-policy aspects of monopolies. I think Mr von Bismarck right at the outset recognized that it may be a translation problem. The Commission is at present empowered to act against the abuse of monopoly power, not to act against monopoly as such. Therefore, we would support that amendment.

Mrs Van Hemeldonck's Amendment No 12 called on the Commission to report on the main causes of unemployment. I prefer this formulation to the formulation of the rapporteur, which has an arbitrary date for a deadline in it. Whatever one may think about the causes of unemployment, everyone can agree they are multiple and they are complex. We are working on this, obviously, and we are working on it intensely, but an administrative deadline of the kind proposed by the rapporteur would, the Commission thinks, not really advance the cause.

With regard to Amendment No 19, by Mrs Van Hemeldonck, on legally binding measures for the reduction and reorganization of working hours by 10% in the next two years, I think Parliament will know that I strongly support progress in this domain of social policy. Speaking personally, I could not agree with what Mr Cassidy said about the effects of the introduction of that policy...

*(Interruption from Mr Herman)*

... Well, I am sorry to disturb Mr Herman, but I think I am entitled to make the point.

I could not accept what Mr Cassidy has to say about the effects of introducing the policy in some of the Member States. I am afraid, however, I cannot accept the formulation of Mrs Van Hemeldonck. It is too binding. I think it is too quantified and, perhaps, a little too simplistic for us to be able to support it.

I turn to Amendment No 25, by Mr Le Chevallier and Mr de Camaret, on immigration and unemployment. I merely say about that amendment that the Commission would, of course, give continuing attention to the problems of migrant workers but we would not wish to embark on a study with those terms of reference.

**Richard**

I was asked a question by, I think, Mrs Van Hemeldonck, and it appears in one of the amendments — I think, in Amendment No 22 — about the Commission approaching the United States. I have to say we are constantly arguing with the United States about these issues. We do so at summit meetings, we do so in bilateral meetings, we do so in the groups of the five or of the seven or the ten, we do so in the OECD. We do so, frankly, in just about every forum that it is possible for us to get at the Americans and make these points on the effect of US monetary policy on our economies. I have to say our view is that the United States is extremely self-satisfied about its own position. It presently considers monetary policy off the agenda for coordination. We regret this, we cannot change it easily. I think it is not a bad idea, if I may say so, what is included in Mrs Van Hemeldonck's amendment, that nobody should have any illusions at all about the difficulty in persuading the Americans. Insofar as it is for us to take it up with them, I merely give the undertaking that we will continue to be as vigorous in arguing the case with the Americans in the future as we have done in the past.

Finally, Mr President, I think I have dealt with all the issues. The other amendment I wanted to refer to was Amendment No 9 which was that of Mr Cassidy, which I think I have already rejected.

Mr President, it has been a useful debate. I think a number of views have been expressed, some with vigour, some perhaps more decorously. On behalf of the Commission I would not wish — nor, indeed, could I in the time available — to express an opinion on each and every point and each and every attitude that has been exposed in the course of the morning. I merely say that the Commission, naturally, has listened to it with interest and with enthusiasm and we shall naturally consider what Parliament has said.

**President.** — The debate is closed.

Before proceeding to the vote, I have to inform you that I have received from more than ten Members a request for a quorum check.

*Motion for a resolution**Preamble*

*(After the vote on the preamble the President noted that the House was not quorate)*

In accordance with the provisions of Rule 71(3) the vote is entered on the agenda for the next sitting.

**Mr Patterson (ED).** — Mr President, in view of the fact that we now cannot vote on this matter until the

December part-session, does that mean that the Council itself is now unable to reach a vote on the decision in the report until January? Is that the consequence?

**President.** — We would be happy if the Council could vote. However, in accordance with the Rules, the matter will be entered in the agenda for the next sitting, i.e. on the Monday of the next part-session, which is 10 December. The Council will be notified accordingly.

*6. Agricultural and fisheries structures in Portugal*

**President.** — The next item is the joint debate on:

- the report by Mr Tzounis, drawn up on behalf of the Committee on External Economic Relations, on the proposal from the Commission to the Council (Doc. 1-352/84 — COM (84) 297 final) for a regulation on the conclusion of the agreement in the form of an exchange of letters between the European Economic Community and the Portuguese Republic concerning the implementation of specific financial aid for improving agricultural aid and fishery structures in Portugal (Doc. 2-805/84).
- the report by Mrs Péry, drawn up on behalf of the Committee on Agriculture, Fisheries and Food, on the fisheries sector in Portugal with a view to its accession to the European Economic Community (Doc. 2-947/84).

**Mr Tzounis (PPE), rapporteur.** — (GR) Mr President, the Agreement that I have the honour to present to Parliament for adoption comes under the heading of pre-accession aid provided by the Community to Portugal. As you know, the purpose of this Agreement is to allow the Portuguese economy to adapt more easily to the Community's systems and bring about a smoother transition from a purely national to a Community framework.

From this point of view the Agreement embodies nothing new or unusual, and besides it covers a definite and quite short period of about a year if we assume that Portugal's accession will take place on 1 January 1986. Being pre-accession aid it will of course cease upon accession, and the agreement stipulates that the sums involved must be made fully available before accession. Sums not made available by that time will not be paid. The sums are not returnable, the aid being in the nature of a gift. The purposes for which the aid is to be spent are explicitly mentioned in the Agreement, as is the extent of Community participation in the various programmes. As a rule the proportions involved do not exceed 50%. However, in



**Tzounis**

certain exceptional cases the Community's share may be as high as 65%, and specifically where the cost of technical assistance is concerned, it may even reach 100%. On the other hand, under Article 10 of the Agreement the Community reserves the right to audit the implementation of the aid. In the opinion of our committee this control will have to be exercised strictly to make sure that the aid is used to the best possible effect.

Mr President, in this connection I would also like to mention that both the Committee on Budgets and the Committee on Agriculture, Fisheries and Food expressed favourable opinions, and I would like to thank their members for their advice.

**Mrs Péry (S), rapporteur. — (FR)** Mr President, Parliament is once again called on to consider a report on the enlargement of the Community.

The fisheries sector in Portugal is of great social importance for that country. For a country of ten million inhabitants, 40 000 fishermen is a very large number. Fish consumption per head of population is more than double the Community average. The fleet, which is largely small-scale, consists of 17 000 vessels, almost 10 000 of which are not motorized. Most of the larger vessels are 15 to 20 years old. This gives some idea of the structural needs of Portuguese fisheries at least where modernization of the fleet is concerned and is an indication of the hope which Portugal puts in the Community.

Consequently, one cannot object to granting pre-accession aid of 50 m ECU to Portugal although at the same time it is regrettable that only 500 000 ECU have been earmarked for fisheries.

The Portuguese fleet does not fish in Community waters. Seventy per cent of their catches come from their own waters and 30% from the waters of third countries, off the coasts of certain African countries, Canada, the United States particularly in the case of cod, which is called *bacalhau* in Portugal.

It is clear that the Portuguese case is very different from that of Spain where fishing in Community waters is concerned.

On the other hand the fish processing industry sector is more sensitive where the Community is concerned. This industry employs 14 000 people in Portugal and in the autonomous regions of the Azores and Madeira. It primarily produces tinned sardines and tuna, which are quality preserves, at a much lower social cost than in the Community. About 50% of the manufactured preserves are already exported to the Community at a 10% customs tax.

What stage has currently been reached in the negotiations? The current situation of Portuguese fisheries is

not in line with all aspects of the *acquis communautaire* which must remain the basis for discussion. A transitional period is therefore necessary to take account of Portuguese interests and those of the Community.

I wish to deal with three matters in greater detail: access to fishing zones, agreements with third countries and the processing industry.

With regard to access to fishing zones the Portuguese are asking that the coastal waters up to 12 miles from their coast should be reserved for them in view of the depletion of stocks and the non-renewal of licences for Spanish vessels. They are requesting that other zones outside these 12 miles should also be protected. It is true that the volcanic structure of the Azores, for example, creates a special situation which should be taken into account. However, it should be recalled that exclusive Portuguese zones beyond the 12 miles can only be justified on biological grounds if the re-nationalization of fishing is to be avoided.

With regard to agreements with third countries, Portugal has at times signed agreements involving trade exchanges which are not always compatible with the *acquis communautaire*, particularly bilateral tariff concessions. Consequently, there is also a need here for a transitional period as well as an effort to look for solutions such as the purchase of fill-up loads of products originating in a third country by vessels flying the flag of a Community Member State.

Portugal has also set up joint companies with certain third countries which permits them to land part of their catch free from customs levy on its internal market. These conditions could be maintained during a transitional period.

With regard to the processing industry and, more particularly, preserves, the fact must be faced that the adaptation of one to the other presents a real problem in view of the difficulties created by social costs. Financial corrections aimed at reducing the differences between prices on the one hand and a lineal reduction in the customs duties on the other could be considered.

Ladies and gentlemen, this is the middle of November and in addition to considering these apparently technical problems Parliament must reaffirm its political determination to see these negotiations concluded in the near future if we wish the 1 January 1986 accession date to be respected. We are aware of the difficulties and we realize that behind this apparent technicality there are very important economic and social issues which, to put it in even more practical terms, affect thousands and thousands of jobs. The interest of all those involved must be carefully examined, without at the same time paralyzing decisions.

Before concluding I should like to make one or two remarks concerning the accession of Spain. I presented

**Péry**

a report to the House on this subject some months ago. Since then many incidents reported in the press have continued to attract public attention. Briefly, what I said was that Spain had too many vessels and Community waters not enough fish. As part of the positive measures which I envisage I called for pre-accession aid for Spain to enable it to restructure its fleet.

I think I am right in saying that the Commission is studying a proposal to this effect which involves 28 m ECUs. We shall be called on to vote on this proposal in a few weeks. This decision could perhaps help to resolve this problem which is currently blocked.

Finally, Mr President, the enlargement of the Community clearly involves the extension of our maritime territory and the need to strengthen the means of surveillance and control in the interests of preserving the balance of resources and peace at sea.

I would add, Mr President, that I have tabled three amendments to my own report which are also signed by Mr Guermeur, chairman of the Sub-Committee on Fisheries. They are additions which take into account the most recent information which I have been able to obtain on the current state of the negotiations.

**Mr Pantazis (S).** — (GR) Mr President, the joint debate on the two reports on the implementation of specific financial aid to Portugal again gives us the opportunity to raise a matter of substance, which affects the future and cohesion of the Community, today of Ten but soon to be Twelve.

The figures and performance achieved by Portuguese agriculture are anything but encouraging in relation to Portugal's ability to cope with the difficulties that will arise when that country becomes a full member of the Community. We all recognise that Portuguese agriculture and fishing are, bedevilled by structural problems, and that guidelines must be laid down and the proper solutions found if Portugal is to be incorporated in the CAP and more generally in the Community's economy. We should also bear in mind that the preferential agreements concluded between the Community and the other countries of the Mediterranean basin will intensify the already fierce competition between Mediterranean products in the Community.

Another factor to which we should pay particular attention is the fact that while the agricultural sector in Portugal employs over 30% of the population, that country has to bring in substantial imports from third countries, which results in an agricultural trade deficit. This is a problem that we in Greece know all too well, which is of particular concern to us because whereas up to our accession we had a positive agricultural balance with the EEC, from the very first year, in other words from 1981, the balance underwent a dangerous reversal which is continuing, and which must be counteracted by immediate measures.

Mr President, Fellow Members, enlargement towards the South will bring the Community's Mediterranean realities very much to the fore. The problems that are bound to arise will further exacerbate the regional inequalities, because we will not only have the difficulties of the new Members in adapting to the Community's systems, but also the negative consequences of these accessions for the Community's other Mediterranean regions that produce similar products.

Here I must lay stress on the importance of preparing the producers in Mediterranean countries that are already Members of the Community to face the shock of enlargement. The Mediterranean programmes prepared so carefully for this purpose will have to be implemented as soon as possible.

Mr President, we must finally become convinced that financing programmes to improve agricultural structures is the best form of investment in the Europe of tomorrow. We must not be mean in providing appropriations for programmes to facilitate the proper structuring of the Community's agriculture. That is why we believe the pre-accession aid we are about to give to Portugal, even though it may not solve the problem of that country's underdeveloped agricultural structures because of the limited amount proposed, represents the beginning of a review of the Mediterranean dimension of the Community's agriculture.

Mr President, the Community's prime objective must remain the reduction or even elimination of regional inequalities, and this most certainly can only be achieved by balancing out the contrasts between the Community's northern and southern countries.

**Mr Clinton (PPE).** — The report which Mrs Péry has drawn up is a good report, a very necessary report, and it gives us all an immense amount of information about the state of the fishing industry in Portugal. We have to appreciate, too, that she went to Portugal to see things on the spot, to discuss with the fishermen and fish processors their problems and to consider their ambitions for the future.

As Members of Parliament will recall, this report arises from a motion for a resolution tabled by Mr Battersby, Mr Papapietro and myself, which called on the Commission to produce detailed information on the subject of Portuguese fishing and the likely effect of this on Community policy, as well as an up-to-date account of the state of negotiations between the two parties.

If we are to be in a position to represent the people who sent us here, we must be able to discuss their problems and concerns with them in an informed and helpful way. Fishermen at the present time are seriously concerned about the proposed enlargement of the Community to include Spain and Portugal, because they fear that this is likely to lead to chaos in the fishing industry unless the necessary precautions

**Clinton**

are taken in advance of any agreement being reached on accession. I have to admit that until I read Mrs Péry's report, I had no idea that the Portuguese fishing fleet was as large as it is, or that it played such an important role in the overall Portuguese economy. The only way in which the Community fishermen can be relieved of their anxiety is for the Commission fully to inform them of the problems, how they are to be settled and at whose expense. The best way of doing this is by keeping the Members of this Parliament informed and, indeed, by listening to what they have to say in this Parliament and reflecting their views. All these matters should be discussed here and not confined to the Commission and Council. This Parliament is the direct link with the people, and if this link is not firmly established and maintained on all matters, then we cease to be a democracy.

In this report we are told that the Portuguese accession is expected to result in an increase of 17% in the Community fleet, and 27% in the workforce in the fisheries sector. Mrs Péry speaks with great sympathy and understanding about the struggle of those employed in the Portuguese fishing industry to get a reasonable livelihood from their work. We would all, of course, be anxious to help them to get the sort of development that would bring happiness and much better standards of living for them. However, we need to look very seriously at what modernization of their fleet is going to do. How many of their people are going to lose jobs in the process? How are they going to be looked after? Are there any possibilities in fish farming, aquaculture or other areas suited to their talents?

As my time is running out, I have to say at this stage, with regret, that I cannot see my way to supporting Amendments Nos 1, 2, 3 and 4. I feel that Mrs Péry has allowed her heart to overcome her head which, at times, can indeed be a good thing. But, as I see it, these are amendments that could seriously undermine safeguards which are built into the common fisheries policy. If anything, these safeguards need to be reinforced and not weakened.

**Mr Battersby (ED).** — Mr President, I should like, as Mr Clinton did, to congratulate Mrs Péry on yet another excellent and informative report on the fisheries aspects of Iberian accession to the Community. She has drawn our attention to the need to recognize now the Portuguese 12-mile limit as an exclusive zone with historical access so that Portugal can conform to existing Community practice before accession. This will facilitate Portuguese incorporation in the common fisheries policy and enable her and Spain to plan ahead. The system we have established of 12-mile exclusive zones with historical access is vital if our common fisheries policy is to succeed and to survive. The Community system is vital for our forward planning and for stock conservation, and it must remain in place so long as the EEC exists which is for many many years, decades or centuries after 1992 and 2002.

Mrs Péry has also drawn attention to the special problems of the Azores and Madeira which are isolated communities with special biological, social, transport and geographical problems. In the fisheries context the 12-mile zones are obviously not enough for these distant, isolated islands, and I think we should use our experience in operating boxes such as the Shetland box to design the best management system for the islands. We also have to use our experience in inspection and control and we will be needing more Community inspectors. It is, therefore, up to us in the Parliament to make sure that the necessary budgetary resources for the additional inspectors are available in good time.

On finance, Mrs Péry has drawn attention to the concern we all have at the pitifully small amount granted by the Council for fisheries in the pre-accession agricultural envelope which is 500 000 ECU out of 50 million. That is not enough to buy one 80-metre boat. There are 40 000 fishermen in Portugal and 120 000 in Spain, and yet the Council has allowed 28.5 million ECU for Spanish fisheries in the agricultural envelope. We have, therefore, a situation where Spain has three times the men and 57 times the money. I believe there is something wrong here — possibly a nought out of place in the tables. I ask the Commission, the Council and the Portuguese Government to reconsider.

Like Mr Clinton, I cannot say the same about the amendments which I understand point to certain areas which are under discussion between the Commission and the Portuguese authorities. I believe we should wait until we have a full explanation from the Commission before we take a decision on this. Otherwise, we are giving away our power for absolutely nothing. I should like to emphasize with regard to Amendment No 1 concerning paragraph 2(c) that I believe this is very dangerous practice because it would allow a loophole for third countries to export fishery products such as fillets to the Community through this back door without paying any duty whatsoever. This would be detrimental to our processing industry and also to our small operators who work on very tight operating margins.

I am recommending that my group votes against Amendments Nos 1, 2, 3 and 4 but I find Nos 5 and 6 do improve the report and once again I would like to congratulate Mrs Péry on a most excellent report.

**Mrs Ewing (RDE).** — Mr President, Mrs Péry must be known by now to be one of the greatest friends of Europe's fishermen. I do pay tribute to her, particularly for the work she has been doing recently with regard to Spain and Portugal. So I shall be supporting the report.

The Portuguese fleet, of course, does not pose the threat to us that the Spanish fleet does. Their fleet is old. They have not been accustomed to be pirates in

**Ewing**

our waters. The recent offences, 98% of which have been committed by Spanish boats, bring no particular discredit to the Portuguese fleet. They sail south to a great extent, and that is exactly what I have always suggested the Spanish fleet will have to do, as there is clearly no room for the Spanish fleet in the North Sea. Even the Shetland box gives us very little protection, because the Shetland box in the end turned out to be a travesty because of the dirty trick done about the lengths of the boats allowed in. So there must be proper protection of the Portuguese areas that were mentioned, and it will have to be different from the one used in the Shetland box.

There is too much silence from the Commission and the Council on the exact state of play with regard to the fishery arrangements that are being made for the accession. I welcome the accession of Spain and Portugal and always have done so, but I do believe that there is a genuine justifiable concern on the question of the size of the Spanish fleet. It is a related subject. These countries are getting frustrated by the delay in the negotiations and I look forward to them coming into this Community, but I still think that ignoring this problem of where the Spanish fleet is to go will not in any way help the negotiations. We must encourage the Spanish fleet to do what the Portuguese fleet is doing — that is, to sail south — and we must give long-term financial inducements to joint ventures with our West African partners of the Lomé Convention. This Parliament has already pronounced on this point, has passed a resolution to that effect and we still hear nothing definite as to whether this is to be done or not. The fishermen of Europe are very concerned to know, but that does not, I think, affect Portugal.

All I would add is that I support Mr Battersby's point about the money. It is clearly ludicrous to discriminate against Portugal in this way. It has to be a more substantial sum for the fisheries sector.

**Mr Moorhouse (ED).** — Mr President, all but one of the speakers in this current debate have dwelt on the problems of fisheries in Portugal, and that is perfectly reasonable. But I would draw the attention of the House to the fact that we are concerned about pre-accession aid to Portugal, not only for its fishing fleets but for its agriculture. Indeed, it is an odd thing, as has already been pointed out, that of the 50 million ECU pre-accession aid recommended in this exchange of letters, only 500 000 ECU would go to fisheries.

I am not competent to speak about the latter subject, nor necessarily about the agricultural problems, but as a member of the Committee on External Economic Relations and spokesman for my group in that field I am obliged to address the issue.

It is significant from Mr Tzounis's report that Portuguese farmers do face a great many serious problems. We are told, for instance, that as many as 31%

of the Portuguese working population are employed in agriculture, their productivity is low and their contribution to the gross domestic product is also low. Furthermore, Portugal's trade balance in the agricultural sector has been in deficit owing to a rise in the consumption of imported food products and a decline in exports.

We are now at the position where we have to pass judgement on the exchange of letters, and it is not all that easy to do so after the event, because we are really faced with a *fait accompli*, but in view of, for instance, the longstanding connection between my own country and Portugal, we in the United Kingdom would, I am sure, be anxious to help Portugal to stand on its own feet in both agriculture and fisheries so long as this does not do undue harm to the other member countries of the Community.

In that sense we are ready to give qualified support over the next year or so, and we look forward to the entry of Portugal in, we hope, 1986.

**Mr Richard, Member of the Commission.** — Mr President, may I start off by congratulating both the rapporteurs, Mr Tzounis and Mrs Péry, on the comprehensiveness of their report and the way in which they have raised issues which I think in some sense go to the heart of the problem. I shall take them in the order in which they appear on the agenda.

As far as Mr Tzounis's report is concerned, can I emphasize that the aid is intended largely to further the development of agricultural structures in Portugal, to enable Portugal to apply the common agricultural policy. That is the object of the exercise. The priority, therefore, in allocating the aid must be given to informing farmers, improving infrastructure, developing veterinary facilities and compiling the statistics which are required for applying the regulations and decisions already adopted under the common agricultural policy. The aid is also intended for setting up market organizations, producer associations and other marketing agencies, for supporting research and training the administrative staff needed to apply Community regulations.

It is true that a proportion of that aid — 1% — is earmarked for setting up producer organizations in the fisheries sector. It is in the interests of all Community producers that the market organization rules in this sector also be applied as widely as possible, by the largest possible number of producers, so that the common policy on the market in fishery products can indeed be implemented.

Finally, the Commission proposes that this expenditure should rank as obligatory pre-accession aid expenditure. It will last from 1 January 1985 until the date of entry into force of Portugal's Treaty of accession. No financial commitment could be made, how-

**Richard**

ever, in respect of this aid after accession. From accession the Community's financial instruments will, of course, be applicable to Portugal.

I now turn to fish, which is a problem of some intricacy and indeed of some delicacy. I assure the rapporteur that in the enlargement negotiations the Commission accepts that it has a duty — and indeed has been trying to fulfil it — to safeguard the objectives and the fundamental balances already worked out under the common fisheries policy, and also to ensure the smooth integration of the applicant countries into the Community. The need for a transitional period stems clearly from the fact that the applicant countries need time to adapt to the Community *acquis*. I do not think anyone would disagree with that.

As for the 12-mile coastal band, bilateral relations between Portugal and Spain would indicate on the basis of the *acquis* that no addition should be made to Annex 1 of Regulation (EEC) No 170 of 1983. These arrangements give Portuguese fishermen *de facto* sole access to their coastal waters. This position does not, however, in any way prejudice provisions which could be adopted in the Treaty of Accession concerning reciprocal fishing arrangements between Portugal and Spain.

As the rapporteur pointed out, Portugal has requested that beyond this 12-mile band zones should be established where access would be controlled and confined to Portuguese fishermen. This request is based on political considerations, particularly as regards the Azores and Madeira. I think they can only be met if particular biological circumstances, the criteria for which are laid down in Article 7 of the basic regulation, can justifiably be invoked.

I would like to say just one more word on the need to conserve resources, which is rightly referred to in the resolution. The applicant countries have already been clearly informed that in a situation of structural shortfall the Community *acquis* would not admit of the development of new fishing grounds nor the resumption of activities abandoned since the changes made to the Law of the Sea. In the case of the fishing resources not subject to restrictions justified by the need for conservation, the Community has adopted the principle of limited graduated access controlled by a system of licenses throughout the transitional period.

The Commission is nevertheless aware of the consequences which would arise from the continuing existence in the Community of a fishing fleet with an overall capacity which greatly outstripped the foreseeable extent of available resources. The Commission considers that, in these circumstances, the only way of safeguarding the relative stability of the sector, which is one of the principles on which the common fisheries policy is founded, is indeed to step up supervision.

Mrs Ewing raised some major points of future policy in relation to the Spanish fishing fleet. I hope she will

forgive me if, in a debate relating to Portuguese accession and particularly transition aid to Portugal and the problems of their fishing industry, I am not tempted to say too much about what the Spanish fleet should do.

**Mr Tzounis (PPE), rapporteur.** — (GR) Mr President, I just want to clarify one point. Since the previous speakers have referred to the small amount set aside for fishing in the Agreement on pre-accession aid, I want to make it clear that the sum in question is intended exclusively for the setting up of producers' associations. According to my information, the Portuguese fishing industry can benefit from other pre-accession aid as well, to the tune of 275 million ECU provided in the past, and Portugal has indeed done so already.

**Mrs Péry (S), rapporteur.** — (FR) I should like to reply to Members who put questions to me on this matter. It is clear — it is indeed regrettable — that because of the timetable it was not possible to discuss these amendments in committee since they introduce additional and very complex points. I quite understand that.

I simply wanted to say that as I was not the sole signatory I was unable to withdraw these amendments. As Mr Guermeur also signed them, I am asking that they be put to the vote.

**President.** — The debate is closed.

*(Parliament adopted, by successive vote, the motions for resolutions contained in the Tzounis report and the Péry report)<sup>1</sup>*

### 7. Exchange of young workers within the Community

**President.** — The next item is the report by Mrs Seibel-Emmerling, drawn up on behalf of the Committee on Youth, Culture, Education, Information and Sport, on

the proposal from the Commission to the Council (Doc. 1-339/84 — COM(84) 265 final) for a decision establishing a third joint programme to encourage the exchange of young workers within the Community (Doc. 2-948/84).

**Mrs Seibel-Emmerling (S), rapporteur.** — (DE) Mr President, it is my duty to present to the House the report of my committee, which was adopted on 30 October with no votes against. I wish to thank all colleagues, including the chairman of my committee,

<sup>1</sup> On the Péry report the rapporteur was:  
— FOR all the amendments.

**Seibel-Emmerling**

who were prepared to do a rapid job in the interests of our younger generation.

If we had not attached so much importance to the younger generation, we should have refused to produce this report in the time, but the programme has to be renewed on 1 January 1985 and the Council was supposed to adopt a decision by 30 June of this year on whether the programme needed revision or reorganization.

But what happened in fact? On 7 June, ten days before the elections to the European Parliament, of which even the Council must have been aware, the Council consulted the Parliament, asking for its cooperation and renewed this request for consultation on 18 June.

On behalf of my committee, I protest indignantly at the exclusion tactics pursued by the Council *vis-à-vis* the Parliament. It is quite obvious that the Council first does its own job and only then takes notice of what we have done as though it were no more than a tick appended to the whole thing.

But we want to play our part, for this Parliament undoubtedly has more to offer the youth of the Community than the Council and the governments of the Member States, which so far have shamefully avoided taking part in this exchange programme. What we want is that this exchange programme for young workers should, at long last, be given the status it deserves, for this programme is specifically mentioned in Article 50 of the Treaty — probably to the surprise of many here when they find that something is said there about things other than agriculture.

We have been disappointed to find how few young people have so far benefited from this. In view of the disastrous state of the labour market, we should like to see unemployed young people also taking part in this programme. We should like to ensure that young women have an equal share in it and that they, like other participants, find new branches of professional activity opened up to them.

We want Spain and Portugal to be brought in. We have the obligation to guarantee full social security for young people. We want a document certifying a person's participation, at least until we get the vocational-training certificate which has been demanded by this Parliament and has still not been realized.

I say once more, we demand the financial participation of Member States to pay for the costs not covered by the Commission or the promoting organizations themselves. That a potential trainee or a young unemployed person is prevented from taking part in this programme because he is expected to pay himself the one-quarter of the expenses not covered by the Commission is something we do not want to see happen.

The Youth Committee wants new criteria, and it wants European youth organizations with the appropriate

expertise and experience to be involved. This it calls for in order, above all, to avoid a repetition of the sorry story that I myself experienced when telephoning to the youth organizations of my own country. The *Jugendring*, the youth umbrella organization, had no information at all on this Community programme, it knew absolutely nothing about it. That has got to be changed, and that is why we call for new criteria and the involvement of European youth organizations with the appropriate expertise and experience.

I take this opportunity of offering my sincere thanks to the Community Youth Forum and also the European trade unions for the many contributions they have made to the preliminary work. We want to keep our responsibility for this programme, which is intended to set an example for the Community. We want to do so because we *feel* responsible to the young people of our countries, both employed and unemployed. Today I am asking you to adopt our report, but after today we shall continue to work on this programme and we hope that the Commission's financial services will at long last adjust its budgetary demands so that they are in the right proportion to the importance of this programme.

**Mrs Peus (PPE).** — (DE) Mr President, ladies and gentlemen, the work of European union cannot succeed without the active participation of the youth of Europe, and so we must win the support of the younger generation for the construction of Europe. This third exchange programme is a step in the right direction, but the number of young people who took part in 1983 — 1 200 — is a scandal we cannot afford to speak too loudly about in the presence of young visitors here in the Parliament or those we have to deal with at home. We therefore urge the Commission not to rest content with declarations of intent but to increase the numbers drastically. The proportion of young workers to the total number of those taking part in exchange schemes is a good deal higher in other institutions such as the Franco-German Youth Exchange Office, where during the years 1979-83 it ranged from 32.7% to 35.7% of the total number of young people taking part.

The almost 13 million unemployed persons, of whom 40% or more are young people, present a sorry picture indeed. That, too, has often been said in this Chamber, and so we urge the Commission to carry out its intentions. We Christian-Democrats want to see this programme accessible to those who have completed their higher education but have not found work, not those that are still studying.

We are glad to find that the new technologies and new conditions on the labour market are to be taken into consideration, for we are among those who are constantly reiterating that the introduction of new technologies, while destroying jobs, at the same time creates new highly-skilled ones for which young people

**Peus**

ple have to be given proper training at an early stage, and to this end this programme makes a small contribution which alone serves to justify it.

Naturally, we are glad to see that the aims of the second programme are to be retained — providing an opportunity to become initiated into the world of work, finding contacts with young people, getting to know the aims and the functioning of the European Community. As someone who for more than 17 years has been professionally occupied with young people aged between 17 and 20, I know that the interest in the Community is there: it only needs to be regularly cultivated and kept alive by appropriate methods. We welcome the financial changes. No one should be excluded from the programme simply because he lives too far from the centre of this Community.

We Christian-Democrats are determined to work for the speedy introduction of the vocational-training passport and, until that happens, for a certificate of membership of the scheme. Mrs Seibel-Emmerling has taken account of this concern of ours, and I should like to thank her for this. We in the Committee on Youth, Culture, Education, Information and Sport were told by the Commission representative that this aim of ours was a sensible one but that a schoolboy's pass had recently proved an unfortunate experience. This we cannot accept. A document like this, capable of greatly strengthening the ordinary citizen's European consciousness, must not be allowed to come to grief because of bureaucratic difficulties.

I urge the Commission once more to see that its words are followed by deeds so that we can face our young people with a clear conscience and say to them that although our financial resources are limited and we can no more than others do the impossible, we have done all we can to enable the youth of our member countries to get to know one another, for in this way the seeds are sown of that consciousness of Europe without which the European Community cannot be properly built up.

*(Applause)*

**Miss Brookes (ED).** — Mr President, ladies and gentlemen, while I consider with great satisfaction the improvements being proposed for the third joint programme to encourage the exchange of young workers throughout the Community, I should like to draw the attention of Members to the following points.

The publicity given to the programme is either poor or non-existent. But by limiting the administrative framework to one organization per Member State, we may have simplified our own involvement with this matter, but certainly not to the advantage of the young workers who are concerned with this scheme. I have learned with great astonishment that in 1983 out of 235 young British people who benefited from the

scheme, only one came from my country of Wales and that the local authorities who are in daily contact with the potential beneficiaries of this programme and who are willing to help have been totally unaware of this scheme. We should, therefore, Mr President, entrust its implementation, not only to various youth organizations but also to the bodies which deal with employment and have some authority with the employers. It is only in this way that we shall overcome the traditional employers' reluctance to send their young workers on training leave. On the other hand, better information and organization of the programme will certainly help do away with the fear of losing one's job which prevents many a young person from taking steps towards a better understanding of his or her place in the Community.

I hope most sincerely that this report is accepted by the European Parliament.

**Mrs Ewing (RDE), chairman of the Committee on Youth, Culture, Education, Information and Sport.** — Mr President, may I first put on record on behalf of my committee our thanks to Mrs Seibel-Emmerling for working against the clock, which she literally did. I think we are all very much in her debt. We all shared her intense disappointment at the fact that this excellent scheme is too limited in numerical terms. We know it is working. It is well administered. The representative who came before us from the Commission was extremely enthusiastic and very dedicated but he himself, without more staff, cannot process great numbers of applications thoroughly and effectively — which has to be done, Mr President, because there is an enormous responsibility involved in dealing with these young people.

So what we really want is more of the same. I think we do have to say to the Commission that the youth of Europe are going to judge us in 1989. They are going to either vote or not vote. We have to step up the voting pattern of that generation. The only way we can do it is to make this Community relevant to them. It is very important, I think, that we added the job-seekers or the jobless to the scheme.

So many of our young people feel that society has completely forgotten them. Here is something that they can look forward to. Even the possibility of being included in such a scheme — if there was a real possibility — would give them some hope and encouragement. Those who do participate are going to get a European dimension which they can tell their friends about which will assist us to have a higher turnout, we hope, in 1989.

So I would ask and urge that this programme be stepped up numerically so that we can all advertise it in our Member States in the hope that more can participate in this excellent scheme.

**Mr Richard, Member of the Commission.** — Mr President, may I start off in the same way as Mrs Ewing did by expressing my thanks to Mrs Seibel-Emmerling for her excellent report and for her effort. May I also, however, couple that with thanks to Mrs Ewing for the efforts she made to get these Commission proposals examined so quickly.

The Commission is grateful to Parliament for the support it has given us over the years on the development of youth exchanges in general and young worker exchanges in particular. I am happy to echo the statements made here during this debate about the vital importance of exchanges to the Community as well as to individual young people. One of the main themes is that of how to increase the volume of young worker exchanges. I entirely agree with what Mrs Ewing says. More of the same seems to be an admirable policy. But she will know what the difficulties are in getting that policy actually implemented. It is essentially, I am afraid, a matter for the budget discussions both a Community level and within Member States, as I am sure the Parliament will realize. The Commission's proposals for a third programme of young worker exchanges do not themselves have any new budget implications since they relate only to the method of operation of the scheme which was first launched way back in 1964. Between 1964 and 1979 only 1 500 young workers participated in the scheme.

The second scheme which began in 1979 with a modest participation of 256 young people grew, nevertheless, to a total of over 1 400 in 1984, so we have made some progress, making an overall total of over 5 000 exchanges for the second programme. I think much of the success of the second programme was due to the way in which more effective administrative structures have been established in all the Member States. Our proposals for a third programme seek to build on the experience of the past, subject to certain administrative changes which I do not think I need take up Parliament's time with since, as I understand it, they are broadly acceptable to Parliament. They have also, I am glad to say, been taken on board by the Council working party which has been discussing the Commission's proposals in parallel with Parliament.

Many of the points made, I think, serve to strengthen the text by making certain things more explicit, such as the references to the role of youth organizations and the youth forum or to the setting up of selection criteria for organizations. We find those, I must say, perfectly acceptable. I share the concern of the rapporteur on other points such as the question of certification and of greater financial involvement by Member States. But they do raise wider questions which I do not think can be resolved very easily if the third programme is to come into operation next year.

Can I say just a brief word about the social security aspect of exchange. We have obviously looked at this and I think in principle the points that are made are

absolutely right. But pending action on a broader front to cover all young people in this situation, and not just the few young people participating in the Community's own programme of young-worker exchanges, we will, I am afraid, have to rely on the organizers of exchanges taking out appropriate private insurance, as is the case at present. I think this is an issue of importance, however, which has been hindering work on youth exchanges generally for several years. I hope the Commission will take upon itself the responsibility of producing specific proposals in this field before too long.

I am grateful to Parliament too for drawing attention to this difficulty between the requirement of nationality and permanent residence. In principle, I see no reason why one should exclude from young-worker exchanges those young people whose parents have come from third countries to work in the Community. I think we should certainly see to what extent the rather obviously discriminatory provisions of Articles 2 and 5 might be changed. We should not delude ourselves I think as to the impact of a change in drafting. A young Turkish migrant in Berlin, for instance, might well face more problems regarding work permits than his/her German friends in taking up an exchange opportunity to work for an employer in another Member State. Not because of any deliberate discrimination, but because of the nature of the residence and because of the background of the individuals concerned. I do not think we will be able to resolve these problems with the Council decision on the third programme, but I think we would agree that we should at least seek to allow such youngsters to be eligible for this programme.

Finally, may I say that it is probable that some 1 700 young people will participate in the programme in 1985. Now, while it is clearly inadequate when viewed in the context of the numbers eligible for participation — and I am appalled to hear that only one of my countrymen/countrywomen actually participated — we must I think continue to strengthen existing structures during the course of the third programme, built on the experience that we have had in the past. There has, after all, been a steadily increasing number of young workers who participated in these exchanges. I hope we can use that as a basis from which to go forward and to encourage Member States to fulfil their responsibilities under Article 50, perhaps in a more positive fashion in the future than they have done in the past.

**President.** — The debate is closed.

#### *Explanations of vote*

**Mr Hutton (ED).** — I just want to make it clear that the European Democratic Group does welcome this Commission proposal. In particular, we support the



## Hutton

simplified administrative procedures which have been proposed; we have not felt able to support amendments to the proposal which would defeat that aim. Given the limited financial resources available to the exchange, we feel that it is not feasible for Spain and Portugal to benefit before they come full members of the Community. Equally, we feel that nationals from other Community countries, even though they are living in a Member State, should not benefit until there are increased resources for the programme.

We shall be voting in favour of the proposal, although we voted against some of the committee amendments, because we have tried to achieve the greatest flexibility in the implementation of this programme.

**Mr Kyrkos (COM), in writing. — (GR)** We shall vote in support of Mrs Seibel-Emmerling's report because we think her amendments and comments are right, and more generally, because we believe such exchange programmes are useful.

We think such exchanges are very important, not just because of the technical experience they provide for young people, but also because of the opportunity they give for getting to know the conditions of life, the culture, and above all the general working climate of another Member State. Each of our countries has its own peculiar features in terms of the structure of its economy (more or less industrialization, with large, or small-to-medium undertakings) and the framework of industrial relations (more or less unionization of workers and employees, different orientations and methods of unions, different levels of worker participation in decisions affecting them). It is an important part of Europe's effort to understand its different peoples that young working people should be aware of the conditions prevailing in other countries, and how workers there deal with the problems of work and with the other difficulties they face.

We consider it a very positive fact that for the first time this third programme includes unemployed youngsters, because we all recognize the difficulty of their position and the importance of qualifications in the labour market.

The more that young men and women can meet with working people and get to know the working climate of other Member States, the richer will be their experience and the benefits deriving from these exchanges.

For this reason, we believe that the number of young people who are to participate in these exchanges is too small in relation to our Community's population. A greater effort must be made, not only through the Community budget, but by the Member States themselves, so that a much greater number of young people, if possible twice as many, can take part. Only then will this programme have the desired result; on its present scale it is little more than symbolic.

**Mrs Larive-Groenendaal (L), in writing. — (NL)** The Liberal and Democratic Group stands four square behind the third programme for the exchange of young workers. It welcomes its extension to include the 5 million young job seekers who form 40% of the unemployed — whilst accounting for less than 20% of the entire workforce!

I am glad that the rapporteur has taken up our suggestion not to exclude from the programme the growing army of jobless undergraduates.

At the same time I have to say that the man in the street must be amazed at the tiny number of people involved in the programme.

1 200 fortunate individuals out of a total population of 272 million smacks of elitism and favouritism! This is not a matter of goodies for the people. It is something Europe vitally needs. These exchanges are crucially important for the growth of mutual understanding and European consciousness. A first step towards giving Europe a human face and thus signifying more to the citizen than a mishmash of rules and abstractions.

But — and this I find far more important — by this means we can provide the necessary impulse to break out of the European straitjacket. How is it that Europe is stagnating? How is it that in the United States in the past ten years 15 million jobs have been created whilst we have lost 3 million? The answer is that our old continent is burdened with a sore lack of flexibility. Our countries behave like a middle-class family that is waiting to devise an expected inheritance. To lift ourselves out of the economic morass there is one inescapable condition: a single fully integrated European market. One great European labour market in which labour mobility is an integral part. Without a European-trained workforce Europe can forget the whole business.

We need young people who are prepared to look further than their own national nose. Young people who are flexible, who are mobile. Who find geographical and professional mobility quite normal. Who dare to embrace new developments, who listen to others, who look beyond their national frontiers and quite literally step across them.

This whole problem covers a wide area, including, for example, recognition of qualifications, transnational study programmes, recognition of study abroad, the same second language in schools, exchanges between schools and teaching staff and, of course, exchange between young workers.

For these reasons even the slightest progress on points of detail — and at the moment alas this programme is no more than that — represents an investment in European growth.

**Mr McMahon (S), in writing. —** I was elected in June

**McMahon**

on a programme firstly to tackle unemployment in Europe and also to make the EEC more meaningful to working people and their families.

The proposal for another programme of exchange of young workers falls into the second category.

Unfortunately, the Commission's proposals are completely inadequate in that insufficient funding has been allocated for such exchanges and insufficient time has been given to Parliament and to the Committee on Youth, Culture, Education, Information and Sport to produce detailed counter-proposals. We do the youth of Europe a gross disservice by not seriously providing enough funds for this scheme.

Since 1979, despite the number of young people in Europe, less than 2 000 have participated in this scheme. It is a gross scandal and an indictment of all for the neglect of our youth, whether they are employed or, sadly, like many youngsters in Athens, Bonn, Brussels, Dublin, Copenhagen, Naples, Luxembourg, Marseilles, Rotterdam and the towns of Greenock, Paisley, Dumbarton and Clydebank in Scotland, out of work or on a placement in a totally inadequate YTS scheme.

Could I urge this House to consider the proposal of the Seibel-Emmerling report that allows young graduates to participate in the scheme. Although it is true that young graduates have during the pursuit of their studies greater opportunities to travel abroad and visit other lands, we must allow many of them, especially those who are unemployed, to participate.

Secondly, the Socialist Group welcomes the proposals to extend the scheme to the young unemployed, of whom there are several millions in the EEC. Provided the proper arrangements are made to safeguard the

social security regulations, we must incorporate the unemployed within the scheme.

*(Parliament adopted the motion for a resolution)<sup>1</sup>*

#### 8. *Membership of the Commission of the European Communities*

**President.** — I should like to announce to the Assembly the receipt of a letter from Mr Thorn, President of the Commission, dated 9 November 1984, which I shall read out to you:

'I am pleased to inform you that Mr Francois-Xavier Ortoli has asked the President of the Conference of the Member States to accept his resignation as a Member and Vice-President of the Commission with effect from 26 October 1984, the day on which he was appointed President of the French Petroleum Company. Mr Ortoli wished to be regarded as having been on leave from his duties between 26 October 1984 and the date on which his resignation was accepted.

The Commission agreed to confer the responsibilities previously assumed by Mr Ortoli on me on an interim basis.'

We take note of this communication.

#### 9. *Adjournment of the session*

**President.** — I declare the session of the European Parliament adjourned.<sup>2</sup>

*(The sitting closed at 1.35 p.m.)*

<sup>1</sup> The rapporteur was:  
— FOR Amendments Nos 1 to 13 and 18;  
— AGAINST Amendments Nos 14, 15 and 19.

<sup>2</sup> *Membership of committees — Declarations entered in the register (Rule 49 of the Rules of Procedure) — Forwarding of resolutions adopted during the sitting — Dates of next part-session: See Minutes.*





**Salg og abonnement · Verkauf und Abonnement · Πωλήσεις και συνδρομές · Sales and subscriptions  
Vente et abonnements · Vendita e abbonamenti · Verkoop en abonnementen**

---

**BELGIQUE / BELGIË**

---

**Moniteur belge / Belgisch Staatsblad**

Rue de Louvain 40-42 / Leuvensestraat 40-42  
1000 Bruxelles / 1000 Brussel  
Tél. 512 00 26  
CCP / Postrekening 000-2005502-27

Sous-dépôts / Agentschappen:

**Librairie européenne /  
Europese Boekhandel**

Rue de la Loi 244 / Wetstraat 244  
1040 Bruxelles / 1040 Brussel

**CREDOC**

Rue de la Montagne 34 / Bergstraat 34  
Bte 11 / Bus 11  
1000 Bruxelles / 1000 Brussel

---

**DANMARK**

---

**Schultz Forlag**

Møntergade 21  
1116 København K  
Tlf: (01) 12 11 95  
Girokonto 200 11 95

---

**BR DEUTSCHLAND**

---

**Verlag Bundesanzeiger**

Breite Straße  
Postfach 10 80 06  
5000 Köln 1  
Tel. (02 21) 20 29-0  
Fernschreiber:  
ANZEIGER BONN 8 882 595

---

**GREECE**

---

**G.C. Eleftheroudakis SA**

International Bookstore  
4 Nikis Street  
Athens (126)  
Tel. 322 63 23  
Telex 219410 ELEG

Sub-agent for Northern Greece:

**Molho's Bookstore**

The Business Bookshop  
10 Tsimiski Street  
Thessaloniki  
Tel. 275 271  
Telex 412885 LIMO

---

**FRANCE**

---

**Service de vente en France des publications  
des Communautés européennes**

**Journal officiel**

26, rue Desaix  
75732 Paris Cedex 15  
Tél. (1) 578 61 39

---

**IRELAND**

---

**Government Publications Sales Office**

Sun Alliance House  
Molesworth Street  
Dublin 2  
Tel. 71 03 09  
or by post

**Stationery Office**

St Martin's House  
Waterloo Road  
Dublin 4  
Tel. 78 96 44

---

**ITALIA**

---

**Licosa Spa**

Via Lamarmora, 45  
Casella postale 552  
50 121 Firenze  
Tel. 57 97 51  
Telex 570466 LICOSA I  
CCP 343 509

Subagente:

**Libreria scientifica Lucio de Biasio - AEIOU**

Via Meravigli, 16  
20 123 Milano  
Tel. 80 76 79

---

**GRAND-DUCHÉ DE LUXEMBOURG**

---

**Office des publications officielles  
des Communautés européennes**

5, rue du Commerce  
L-2985 Luxembourg  
Tél. 49 00 81 - 49 01 91  
Télex PUBOF - Lu 1322  
CCP 19190-81  
CC bancaire BIL 8-109/6003/200

**Messageries Paul Kraus**

11, rue Christophe Plantin  
L-2339 Luxembourg  
Tél. 48 21 31  
Télex 2515

---

**NEDERLAND**

---

**Staatsdrukkerij- en uitgeverijbedrijf**

Christoffel Plantijnstraat  
Postbus 20014  
2500 EA 's-Gravenhage  
Tel. (070) 78 99 11

---

**UNITED KINGDOM**

---

**HM Stationery Office**

HMSO Publications Centre  
51 Nine Elms Lane  
London SW8 5DR  
Tel. 01-211 3935

Sub-agent:

**Alan Armstrong & Associates**

European Bookshop  
London Business School  
Sussex Place  
London NW1 4SA  
Tel. 01-723 3902

---

**ESPAÑA**

---

**Mundi-Prensa Libros, S.A.**

Castelló 37  
Madrid 1  
Tel. (91) 275 46 55  
Telex 49370-MPLI-E

---

**PORTUGAL**

---

**Livraria Bertrand, s.a.r.l.**

Rua João de Deus  
Venda Nova  
Amadora  
Tél. 97 45 71  
Telex 12709-LITRAN-P

---

**SCHWEIZ / SUISSE / SVIZZERA**

---

**Librairie Payot**

6, rue Grenus  
1211 Genève  
Tél. 31 89 50  
CCP 12-236

---

**UNITED STATES OF AMERICA**

---

**European Community Information  
Service**

2100 M Street, NW  
Suite 707  
Washington, DC 20037  
Tel. (202) 862 9500

---

**CANADA**

---

**Renouf Publishing Co., Ltd**

2182 St Catherine Street West  
Montreal  
Quebec H3H 1M7  
Tel. (514) 937 3519

---

**JAPAN**

---

**Kinokuniya Company Ltd**

17-7 Shinjuku 3-Chome  
Shiniuku-ku  
Tokyo 160-91  
Tel. (03) 354 0131

Debates of the European Parliament, published as an annex to the Official Journal of the European Communities, comprise:

- report of proceedings,
- annual indexes.

---

## Sales

Annual subscriptions run from March, the beginning of the Parliamentary Year, until February.

Orders may be placed with the Office for Official Publications of the European Communities.

Payments to be made only to this Office.

Price (excluding VAT) in Luxembourg:

Annual subscription 1984/1985    ECU 63.30    BFR 2 900    IRL 46    UKL 36.50    USD 55

Single issue price set accordingly in each case and shown on cover.

Prices do not include postage.

---

ECU 17.44    BFR 800    IRL 12.80    UKL 10.40    USD 16



OFFICE FOR OFFICIAL PUBLICATIONS  
OF THE EUROPEAN COMMUNITIES

L-2985 Luxembourg



AX-AA-84-009-EN-C